



# 天虹紡織集團有限公司 TEXHONG TEXTILE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2678

# 2020

Annual Report 年報





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# 財務摘要

## FINANCIAL HIGHLIGHTS

### OPERATING PERFORMANCE DATA

### 經營表現數據

		2020	2019		2018	2017	2016
		二零二零年	二零一九年	Change	二零一八年	二零一七年	二零一六年
For the year ended 31 December		RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
截至十二月三十一日止年度		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	<b>19,576,938</b>	22,002,943	-11.0%	19,155,709	16,306,375	13,647,737
Gross profit	毛利	<b>2,707,118</b>	2,993,437	-9.6%	3,145,825	2,439,959	2,645,143
Profit for the year	年度溢利	<b>530,354</b>	922,749	-42.5%	1,167,943	1,174,725	1,201,073
Profit attributable to shareholders	股東應佔溢利	<b>517,065</b>	883,726	-41.5%	1,163,092	1,151,862	1,187,531
Earnings per share	每股盈利						
— Basic	— 基本	<b>RMB 人民幣 0.57 元</b>	RMB 人民幣 0.97 元	-41.2%	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元	RMB 人民幣 1.33 元
— Diluted	— 攤薄	<b>RMB 人民幣 0.56 元</b>	RMB 人民幣 0.97 元	-42.3%	RMB 人民幣 1.27 元	RMB 人民幣 1.26 元	RMB 人民幣 1.33 元

### FINANCIAL POSITION DATA

### 財務狀況數據

		2020	2019		2018	2017	2016
		二零二零年	二零一九年	Change	二零一八年	二零一七年	二零一六年
As at 31 December		RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
於十二月三十一日		人民幣千元	人民幣千元	變動	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	<b>20,157,279</b>	21,174,661	-4.8%	18,770,015	15,534,431	15,284,349
Non-current assets	非流動資產	<b>10,829,540</b>	11,374,054	-4.8%	9,336,032	7,813,552	7,142,656
Current assets	流動資產	<b>9,327,739</b>	9,800,607	-4.8%	9,433,983	7,720,879	8,141,693
Total liabilities	總負債	<b>11,684,541</b>	13,075,286	-10.6%	11,933,193	9,558,718	10,092,905
Current liabilities	流動負債	<b>8,011,160</b>	7,583,220	5.6%	6,773,423	6,420,730	7,419,903
Non-current liabilities	非流動負債	<b>3,673,381</b>	5,492,066	-33.1%	5,159,770	3,137,988	2,673,002
Net current assets	流動資產淨值	<b>1,316,579</b>	2,217,387	-40.6%	2,660,560	1,300,149	721,790
Net assets	資產淨值	<b>8,472,738</b>	8,099,375	4.6%	6,836,822	5,975,713	5,191,444
Equity attributable to shareholders	股東應佔權益	<b>7,863,267</b>	7,473,456	5.2%	6,738,637	5,910,127	5,148,721

### FINANCIAL INDICATORS

### 財務指標

For the year ended 31 December		2020	2019	2018	2017	2016
截至十二月三十一日止年度		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
Inventory turnover days	存貨周轉天數	<b>95</b>	98	101	87	79
Trade and bill receivables turnover days	應收貿易及票據款項周轉天數	<b>30</b>	27	32	36	35
Trade and bill payables turnover days	應付貿易及票據款項周轉天數	<b>61</b>	62	73	78	87
Current ratio	流動比率	<b>1.2</b>	1.3	1.4	1.2	1.1
Net debt to equity ratio (Note 1)	負債淨額權益比率 (附註1)	<b>0.52</b>	0.86	0.88	0.68	0.80
Return on equity (Note 2)	權益回報率 (附註2)	<b>7%</b>	12%	18%	21%	26%

Note 1: Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders at each year end.

附註1: 根據各年終時的借貸總額扣除現金及現金等值物以及已抵押銀行存款除以股東應佔權益計算得出。

Note 2: Based on each year's profit attributable to shareholders over the average of the equity attributable to shareholders at the beginning and ending of the financial year.

附註2: 根據各年的股東應佔溢利除以該財政年度年初及年終股東應佔權益之平均數計算得出。

# 企業簡介及架構

## CORPORATE PROFILE AND STRUCTURE

### CORPORATE PROFILE

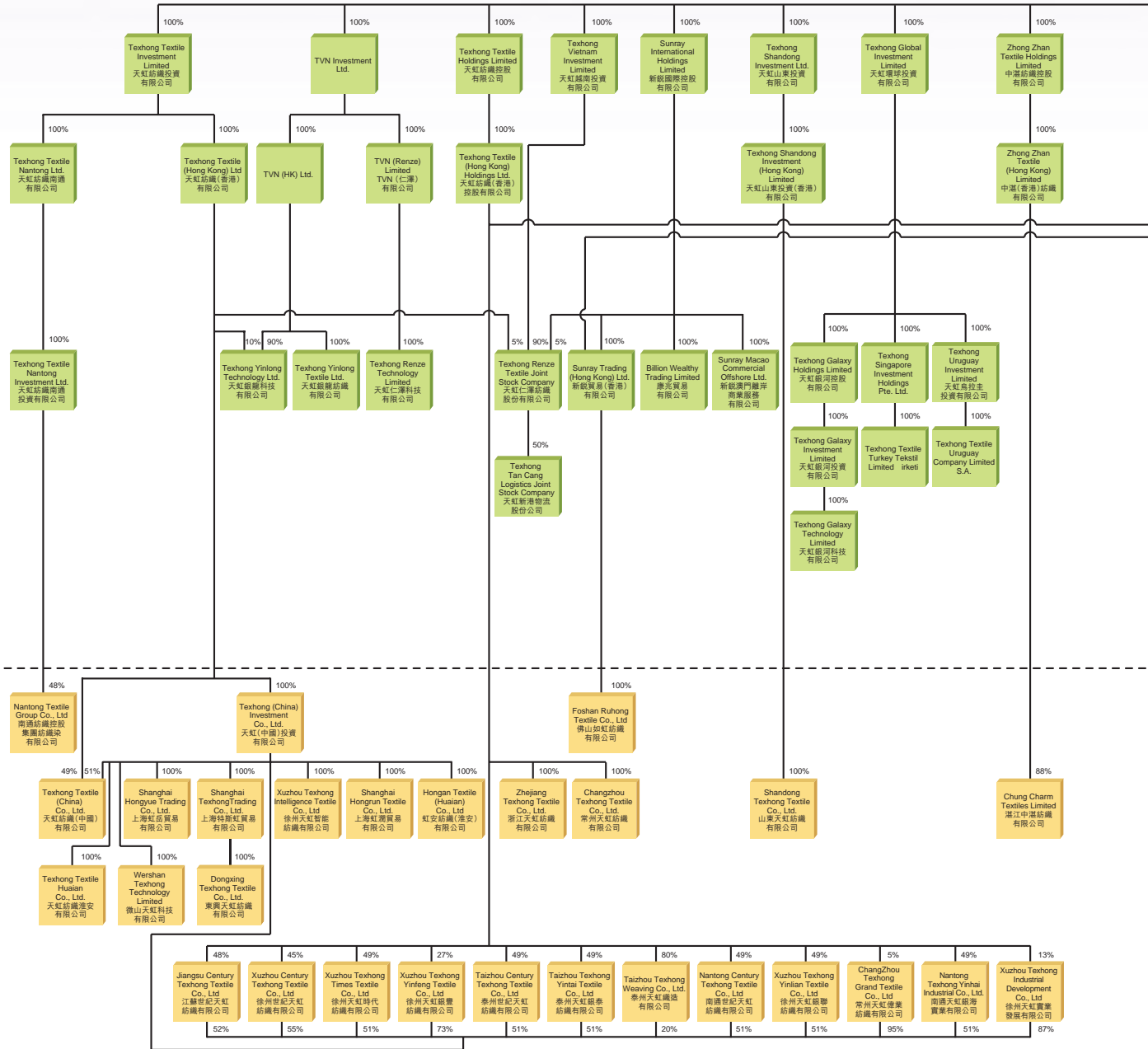
Texhong Textile Group Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the largest cotton textile manufacturers in the People’s Republic of China (“China” or the “PRC”) and is a leading textile enterprise focusing on manufacturing high value-added core-spun textile products. The Group is principally engaged in the manufacture and distribution of quality yarns, grey fabrics, garment fabrics as well as garments. Since 1997, the Group has grown rapidly and has over 5,000 customers in China and overseas, with its sales network spanning across the PRC, Vietnam, North America, Europe, Brazil, Turkey, Bangladesh, Japan and South Korea. With its sales headquarter established in Shanghai, the Group has production bases in operation in the PRC, Vietnam, Turkey, Nicaragua and Mexico respectively, with major production facilities comprising about 4.1 million spindles and 1,900 weaving and knitting machines and the related dyeing equipment as of 31 December 2020.

### 企業簡介

天虹紡織集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)(股份代號：2678)是中華人民共和國(「中國」)最大的棉紡織品製造商之一，更是中國領先的高附加值包芯紡織產品生產企業。本集團的主要業務為製造及銷售優質紗線、坯布、面料和服裝。自一九九七年始，本集團業務發展迅速，更擁有超過5,000個國內外客戶，銷售網絡遍及中國、越南、北美、歐洲、巴西、土耳其、孟加拉、日本及南韓。本集團以上海為銷售總部，於中國、越南、土耳其、尼加拉瓜及墨西哥均有運行中的生產基地，截至二零二零年十二月三十一日，主要生產設施包括大約410萬紗錠、1,900台梭織及針織織機及對應的染整設備。

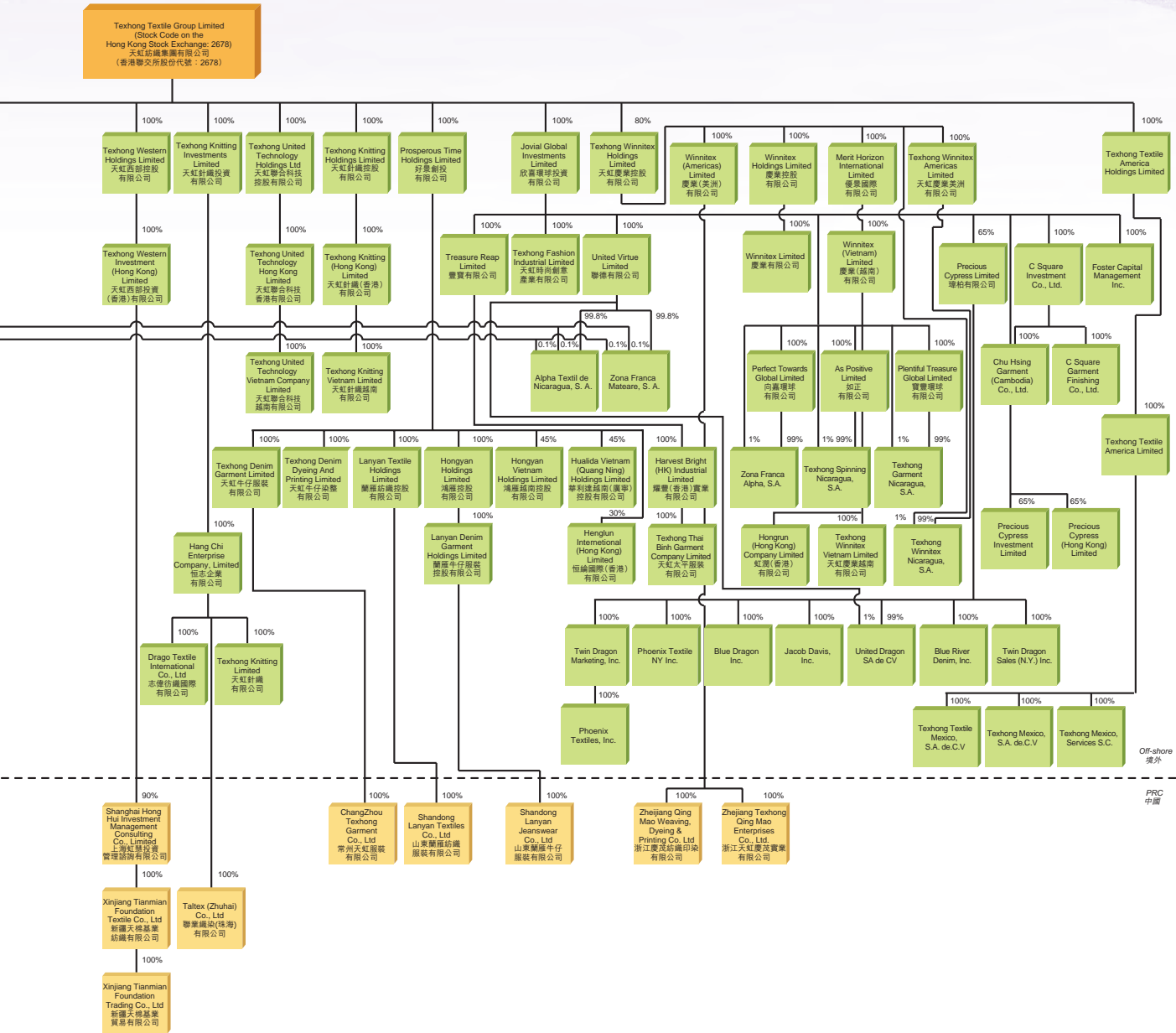
# 企業簡介及架構

## CORPORATE PROFILE AND STRUCTURE



# 企業簡介及架構

## CORPORATE PROFILE AND STRUCTURE





# 主席報告書 CHAIRMAN'S STATEMENT



**Hong Tianzhu 洪天祝**  
Chairman 主席

On behalf of the Company's board of directors (the "Board"), I am pleased to present the annual results of the Group for the year ended 31 December 2020 to the shareholders of the Company.

本人謹代表本公司董事會（「董事會」），欣然向本公司股東呈列本集團截至二零二零年十二月三十一日止年度的全年業績。



## RESULTS

In 2020, the sudden outbreak of the COVID-19 pandemic had an unprecedented and systemic impact on the global economy. The textile industry of China, not yet recovered from the impact of the Sino-US trade conflict, suddenly had to face tremendous challenges, and battling these obstacles became a matter of survival for many companies. The pandemic directly affected the normal operation of production facilities. Even when work and production was resumed, many companies still faced various difficulties and problems, such as the resumption of industrial chain upstream and downstream work not being synchronized, insufficient orders from customers, insufficient supplies of raw materials and lack of protective resources for COVID-19. After the effective control of the pandemic in China, the rapid deterioration of the epidemic situation in various overseas countries has once again brought the textile industry's export market to a standstill and a large number of orders have had to be suspended as a result.

At the beginning of the year, the Group adjusted its organizational structure by establishing a yarn business center and an industrial chain business center, which are responsible for the Group's yarn-related business and downstream business, including garment fabrics and garments, respectively. Following the outbreak of the pandemic, the Group has made great efforts to stabilize production and operations and had adjusted its strategies regarding product mix and operations based on the principle of "guarantee employment, guarantee opening, guarantee cash flow". The Group has also greatly strengthened capital management, which resulted in the effective digestion of large amounts of inventory, and achieved the best level of cash flow and debt ratio seen in recent years. In addition, the raw material price in 2020 experienced sharp ups and downs, which had a great impact on the gross profit margin of yarns, but the gradual rebound of cotton price in the second half of the year drove the growth in sales volume and gross profit margin of yarns. During the year ended 31 December 2020, the sales volume of yarns for the year amounted to more than 750,000 tonnes, representing a slight rise compared with last year. However, due to the exceptional operating environment during the year, the gross profit margin of yarn still dropped slightly from 13.5% last year to 13.4%. Although the downstream business segment was also severely affected by the pandemic situation overseas, its overall profitability still showed an improvement as compared to last year after the reforms and the acquisition made in 2019. The Group's total revenue reached RMB19.6 billion, representing a decrease of approximately 11% from last year. Profit attributable to shareholders of the Group for 2020 was RMB517 million and basic earnings per share was RMB0.57.

## 業績

二零二零年，新型冠狀病毒肺炎疫情的突然爆發對全球經濟造成了前所未有的系統性打擊。中國紡織行業尚未從中美貿易衝突所帶來的影響中恢復過來，就馬上面臨巨大挑戰，而對於許多公司來說對抗該等困難攸關存亡。疫情首先直接影響了生產設施的正常開工運營。復工復產後，許多公司依然面臨著產業鏈上下游復工不同步、來自客戶的訂單不足、原材料供應不足、新型冠狀病毒肺炎防護資源缺乏等多方面的困難與問題。中國疫情得到有效控制後，海外各國疫情的快速惡化讓紡織行業再次陷入外銷市場癱瘓、訂單大量叫停的困境。

本集團於年初進行了組織架構調整，成立紗線業務中心以及產業鏈業務中心，分別負責本集團紗線相關業務和包括面料及服裝在內的下游業務。疫情發生後，本集團為了穩定生產經營做出了巨大努力，圍繞「保就業、保開台、保現金流」的原則進行產品組合和運營策略的調整。本集團亦大幅加強資金管理，有效消化了大量庫存，使現金流及負債率都達到了近年來最好的水平。此外，二零二零年的原料價格出現過山車式跌漲，對紗線的毛利率帶來較大影響，幸好下半年度棉花價格逐步攀升，拉動了紗線銷量和毛利率的增長。截至二零二零年十二月三十一日止年度，紗線的年度銷量超過75萬噸，相較去年略有增長。然而，由於本年度特殊的經營環境，紗線毛利率還是有小幅下降，從去年的13.5%跌至13.4%。儘管下游業務板塊亦受海外疫情影響嚴重，惟整體盈利於二零一九年進行改革及收購後仍較去年有所改善。本集團整體收入達到人民幣196億元，比去年減少約11%。本集團二零二零年度股東應佔溢利為人民幣5.17億元，每股基本盈利人民幣0.57元。

## OUTLOOK

The COVID-19 pandemic has rung alarm bells for the global supply chain system, forcing companies to reconsider the pressure tolerance of manufacturing systems facing the global risk. Since 2015, the Group has adhered to the development strategy of vertical integration of the industrial chain, encountering many difficulties in the process. However, such a strategic process has enabled us to gain a new perception and understanding of the textile industrial chain, which has enabled us to look outside the box as raw material suppliers and have a macro perspective of the entire industrial chain. In the future, we will further leverage our strategic advantages and strengthen our internal operation management system in order to become better prepared for the ever-changing market.

In terms of business, despite the difficulties over the past year, we have further improved our plan and development in respect of downstream business. Both the knitted garment fabrics business and the woven garment fabrics business have expansion plans developed during the year, which are currently in the process of being implemented. It is expected that the Group's production capacity of knitted garment fabrics will reach 100 tons per day in 2021. The knitted garment fabrics business has been able to achieve a decent level of profitability despite the adverse market condition, and there is a great possibility for future business growth. Meanwhile, in order to promote more sustainable textile production, the Group has conducted in-depth research on relevant environmental protection technologies and equipment, and has planned to apply them in the production of woven garment fabrics and garments to establish a technology-oriented product line to drive the growth of profit.

Following the Group's investment and construction of recent years, the production capacity and layout of each of its business lines have been improved. Going forward, it is expected that the capital expenditure will be gradually reduced, with a focus on improving internal operations and financial quality of the Group, so as to further reduce the gearing ratio and achieve a more stable and low-risk profit growth.

## ACKNOWLEDGEMENT

Lastly, on behalf of the Board I would like to express my sincere gratitude to all of our shareholders for giving the Group their care and support over the years.

**Hong Tianzhu**  
Chairman

12 March 2021

## 展望

新型冠狀病毒肺炎疫情為全球供應鏈體系敲響了警鐘，迫使企業重新思考製造業系統在全球風險面前的抗壓能力。本集團自二零一五年以來堅持產業鏈垂直整合一體化發展戰略，過程中遇到了許多困難，但正是這樣的戰略歷程讓我們對紡織業產業鏈有了新的認識和理解，得以跳出原料供應商的思維方式，並擁有作為全產業鏈企業的宏觀視角。未來我們會進一步發揮戰略佈局優勢，強化內部運營管理體系，為應對愈發多變的市場做更好的準備。

業務方面，儘管過去一年困難重重，我們還是進一步完善了下游業務的佈局與建設。針織面料業務以及梭織面料業務都於年內制定擴產規劃，並且現正處於實施過程。預計於二零二一年，本集團針織面料產能將達到每天100噸。針織面料業務逆流而上實現理想的盈利水平，未來的業務成長空間也有較大的可能性。同時，為了推動更加可持續發展的紡織品生產，本集團深入研究相關環保技術與設備並且計劃將其運用在梭織面料與成衣的生產上，建立以技術為主導的產品線，拉動盈利的增長。

隨著本集團近幾年的投資建設，各條業務線的產能規模與佈局都已得以完善，展望未來，預期資本開支將逐步減少，著重提升本集團內部運營及財務素質，進一步降低借貸比例，獲得更加穩定且低風險的盈利增長。

## 鳴謝

最後，本人謹代表董事會對全體股東一直以來對本集團的關注和支持致以由衷的感謝！

**洪天祝**  
主席

二零二一年三月十二日

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is pleased to present its annual results for the year ended 31 December 2020 (the “Year”) to its shareholders. During the Year, the Group’s revenue dropped by 11% to approximately RMB19.6 billion when compared with last year. Profit attributable to shareholders of the Company decreased by 41.5% to approximately RMB517 million against last year. Basic earnings per share also decreased to RMB0.57 from RMB0.97 last year.

### INDUSTRY REVIEW

According to statistics from the PRC’s National Bureau of Statistics, the aggregate sales achieved by sizeable textile enterprises amounted to RMB2,277.8 billion in 2020, representing a 6.7% decrease year-on-year, with profit totaling RMB110.5 billion, up by 7.9% year-on-year. Sizeable garment and apparel enterprises recorded total sales of RMB1,369.7 billion, representing a year-on-year decrease of 11.3%, with net profit at RMB64.04 billion, down by 21.3% year-on-year. According to data from the General Administration of Customs of the PRC, in 2020, textile products total worth of US\$153.8 billion were exported from China, representing a year-on-year increase of 29.2%, with the value of garments at US\$137.4 billion, representing a year-on-year decrease of 6.4%.

According to statistics from Vietnam Customs, the export volume of yarn and staple fiber manufactured in Vietnam grew by 1.4% to 1.738 million tonnes in 2020, bringing in revenue of US\$3,737 million, down by 10.5% when compared with 2019. The garment exports decreased by 9.3% to US\$29.81 billion in 2020.

### BUSINESS REVIEW

Against the backdrop of the global outbreak of COVID-19, which affected the economy and people’s lives around the world, the Group’s revenue in 2020 decreased by 11% to RMB19.6 billion as compared with last year, better than the expected decrease of 20% for the Year as set out in the interim report for the six months ended 30 June 2020, mainly due to the recovery of the textile market in the fourth quarter in 2020, especially for the PRC market. During the year ended 31 December 2020, the Group mainly derived revenue from the sales of yarns, grey fabrics, garment fabrics and garments, which covered the entire industrial chain. Revenue from the sale of yarns remained the primary source of the Group’s revenue, accounting for approximately 77.7% of total revenue for the Year. Revenue from the sale of yarn for the Year amounted to approximately RMB15.2 billion, representing a decrease of 9.0% when compared with last year, due to the decrease in selling prices of yarns in the first half of the year. In respect of midstream and downstream business, under the impact of the global pandemic on end-user consumption (particularly for the regions outside of China), the Group achieved sales revenue of RMB4.37 billion, representing a decrease of 17.3% compared with 2019.

### 綜覽

我們欣然向股東報告本集團截至二零二零年十二月三十一日止年度(「年內」)的全年業績。年內，本集團之收入較去年下跌11%至約人民幣196億元。本公司股東應佔溢利較去年減少41.5%至約人民幣5.17億元。每股基本盈利亦由去年的人民幣0.97元減少至人民幣0.57元。

### 行業回顧

根據中國國家統計局的數據顯示，二零二零年，紡織業規模企業累計實現營業收入人民幣22,778億元，同比減少6.7%；實現利潤總額人民幣1,105億元，同比增長7.9%。紡織服裝及服飾業規模企業錄得銷售總額人民幣13,697億元，同比減少11.3%；淨利潤人民幣640.4億元，同比減少21.3%。根據中國海關總署發布的數據顯示，二零二零年，中國出口紡織品總額為1,538億美元，同比增長29.2%；服裝出口1,374億美元，同比減少6.4%。

根據越南海關數據顯示，二零二零年於越南生產的紗線及短纖出口量增加1.4%至173.8萬噸，收入較二零一九年下降10.5%至37.37億美元。於二零二零年，服裝出口額減少9.3%至298.1億美元。

### 業務回顧

在全球新型冠狀病毒肺炎疫情爆發影響世界各國的經濟及民生的情況下，本集團於二零二零年的收入比去年下降了11%至人民幣196億元，較截至二零二零年六月三十日止六個月的中期報告中預計年內下降20%為佳，主要由於紡織市場，特別是中國市場，在二零二零年第四季回暖所致。截至二零二零年十二月三十一日止年度，本集團的主要收入涵蓋全產業鏈包括紗線、坯布、面料及服裝的銷售，紗線銷售收入仍然是本集團的主要收入來源，佔本集團年內總收入約77.7%。年內紗線銷售收入約人民幣152億元，比去年下降9.0%，主要因為上半年銷售價格下降所致。中下游業務在全球疫情影響終端消費(特別是中國以外地區)的情況下，在艱難之中本集團實現銷售收入人民幣43.7億元，比二零一九年下跌17.3%。

### BUSINESS REVIEW (Continued)

In 2019, the market demand of the textile products was seriously affected by the Sino-US trade friction, although there was a slight improvement in the market at the end of 2019. However, in late March 2020, due to the impact of the global outbreak of COVID-19, production capacity of the Group decreased as a result of a change in the product mix. Consequently, the production facilities of the Group equipped with approximately 4 million spindles did not operate effectively. Nevertheless, the Group's staff overcame the difficulties, seized the opportunities arising from the recovery of the textile market in China in the fourth quarter, strived to sell its inventories in full swing, and changed the product mix in order to gradually return to an ideal condition. The total external sales of yarn remained at a similar level to the 750,000 tonnes seen last year, with a slight year-on-year increase of approximately 2,000 tonnes. As the Group adjusted its product mix to prioritize capacity utilization in times of market turmoil, the gross profit margin of yarn continued to be affected. However, the recovery in the fourth quarter partially offset the impact of weak demand in the first half of the year. As a result, the gross profit margin of yarn for the Year only decreased by 0.1 percentage point to 13.4% compared with the corresponding period of the previous year.

As for grey fabrics, following the development of the Group's own garment fabrics business, internal use of grey fabrics produced by the Group increased, while the external sales volume decreased from approximately 79 million meters last year to nearly 66 million meters this year. The gross profit margin of grey fabrics decreased from 17.2% in 2019 to 12.9% in 2020.

As for woven garment fabrics, under the pressure of the impact of the pandemic on both sales orders and production volume, the sales volume of self-produced products decreased from approximately 100 million meters last year to approximately 88 million meters this year. The Group's woven garment fabrics business was more significantly affected by the global pandemic than its other businesses, which was mainly due to its target customers being outside of the PRC and, to a lesser extent, employees of different enterprises around the world being encouraged to work from home under the pandemic, which had a substantial impact on the demand for woven fabrics apparel. The trading volume of the Group's woven garment fabrics was also affected and the sales volume decreased by approximately 16% from approximately 38 million meters last year to approximately 32 million meters. Despite such a difficult operating environment, the gross profit margin of the Group's self-produced woven garment fabrics was maintained at around 19.5% for the Year.

### 業務回顧(續)

二零一九年，中美貿易摩擦嚴重影響紡織產品市場需求，難得二零一九年底市場稍有好轉，但二零二零年三月下旬又開始受到全球新型冠狀病毒肺炎疫情爆發影響，本集團產能發揮受到產品組合變化影響而有所降低，以致本集團400萬紗錠裝備沒法有效運作。儘管如此，本集團全體人員排除萬難，在第四季度把握中國紡織市場回暖的機會，全力銷售庫存並嘗試扭轉產品組合逐步改善回復到較理想狀態，紗線對外銷售總量還是能保持在去年的75萬噸水準，按年輕微增加約2,000噸。由於在市場混亂時集團以調整產品組合以優先保障產能利用率，紗線毛利率繼續受到影響，但第四季度的復甦抵銷了部分上半年疲弱需求的影響，因此紗線年內毛利率僅比去年同期下降0.1個百分點至13.4%。

坯布方面，隨著本集團自身面料業務的發展，本集團自產坯布的內部使用增加，對外銷售量有所減少，從去年的約7,900萬米下降到本年度的約6,600萬米，坯布的毛利率由二零一九年的17.2%下降到二零二零年的12.9%。

梭織面料方面，受到疫情影響銷售訂單及產量同步受壓，自產產品銷量從去年約1億米下降到本年度約8,800萬米左右。相比其他業務，本集團的梭織面料業務在全球疫情中受到的影響相對較大，主要由於目標市場為中國以外地區的客戶，其次是在疫情下全球不同企業均鼓勵員工在家工作，對梭織面料服裝的需求影響巨大。本集團的梭織面料貿易量同樣受到影響，銷售量由去年約3,800萬米下跌約16%至約3,200萬米。在這艱難的經營環境中，本集團自產梭織面料年內的毛利率仍能保持在約19.5%的水準。



### BUSINESS REVIEW (Continued)

The situation faced by knitted garment fabrics and woven garment fabrics are different. Given that different enterprises around the world are encouraging employees to work from home, the impact on the demand for knitted fabrics apparel is relatively low. It is also the Group's first business segment to recover during the pandemic. The sales volume of self-produced knitted garment fabrics for the Year was approximately 16,000 tonnes, representing a decrease of only approximately 1,000 tonnes as compared with last year. Following the successful business restructuring, the gross profit margin of self-produced knitted garment fabrics has reached 18% for the Year.

After the reform in second half of 2019, the jeanswear business was concentrated on production bases in Vietnam and Shandong, China, which are factories with an established earning base, thus the gross profit margin of self-produced jeanswear increased significantly to approximately 9.4% compared with last year. In addition, the non-woven fabrics business is still in its early stages and the products are mainly used in the production of tissue paper products. In 2020, the Group launched the first non-woven fabrics production line. With the other three invested production lines set to be launched gradually in 2021 in order to reduce the average production cost, the gross profit margin is expected to increase simultaneously.

Despite the severe impact of the global pandemic, the Group in turn recorded an increase of 0.2 percentage point of overall gross profit margin to 13.8% as compared with last year under the impact of Sino-US trade friction. With an average gross profit margin of 11.4% in the first half of 2020, there was clearly a recovering in the second half of the year, mainly driven by the recovery of the textile apparel market and the rebound of the raw material price in the fourth quarter of 2020. With the exception of the woven garment fabrics business, which may not return to normal levels until the second quarter of 2021, the Group's other business segments had largely resumed relatively normal operations by the end of 2020. The profit attributable to shareholders for the Year was RMB517 million, and basic earnings per share was RMB0.57, both representing a decrease of approximately 41% when compared with last year. As our business in the midstream and downstream is under development, in order to maintain business growth while increasing profitability, and the gross profit margin of woven and knitted garment fabrics has gradually increased which have potential to exceed the gross profit margin of yarn sales, we believe that the stability of the Group's profit and the overall profit level will continue to increase.

### 業務回顧(續)

針織面料與梭織面料所面對的情況不同，在全球不同企業鼓勵員工在家工作的背景下，針織面料服裝的需求受到的衝擊相對較低，也是本集團在疫情中率先復甦的業務板塊，年內自產針織面料產品銷售量約16,000噸左右，僅比去年下降約1,000噸。隨著業務重組成功，自產針織面料年內的毛利率達到18%的水準。

牛仔服裝業務經過二零一九年後半年改革後集中到越南及中國山東的生產基地生產，該等生產基地為已經實現盈利基礎的工廠，因此自產牛仔服裝的毛利率比去年大幅提升至9.4%左右。另外無紡布業務仍為起步階段，產品主要用於生產紙巾類用品中，在二零二零年本集團只開出第一條無紡布生產線，隨著已投資的另外三條生產線於二零二一年逐步開出降低平均生產成本，毛利率有望逐步提升。

雖然受到全球疫情的嚴重影響，本集團的整體毛利率比去年受到中美貿易摩擦影響下反而錄得0.2個百分點的提升至13.8%，對比二零二零年上半年的11.4%平均毛利率，二零二零年下半年已明顯回升，主要也是由二零二零年第四季度紡織服裝市場回暖以及原材料價格回升所推動，而除了梭織面料業務可能需要在二零二一年第二季度才能完全恢復正常，本集團其他業務板塊基本上在二零二零年底已經相對恢復正常。年內股東應佔溢利為人民幣5.17億元，每股基本盈利人民幣0.57元，均比去年下降約41%。正如我們當初發展中下游的業務是為了保持業務增長的同時提升利潤水準，在梭織及針織面料的毛利率逐步提升並有超越紗線銷售毛利率之勢，我們相信本集團利潤的穩定性及總體利潤水準將有機會持續提高。



## 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

As at 31 December of 2020, the Group's major production facilities comprise 4.10 million spindles, 1,900 weaving and knitting machines and the related dyeing equipment. Of the spindles, 2.51 million were in the PRC and 1.59 million spindles were in overseas regions. After recovering from the business impact of the pandemic, the Group will continue to focus on making the best use of existing capacity in 2021 and to ensure optimal efficiency. With the recovery of the original yarn product mix, the commencement of expansion of the overseas production base for woven garment fabrics and the gradual revenue contributions from the knitted garment fabrics arising from the original production base in China and new production capacity in Vietnam, and assuming that the global pandemic gradually come to an end, the Sino-US trade relationship does not deteriorate further, and there are no other black swan events affecting the global economy, the Group's profitability is expected to improve significantly in 2021, and total sales revenue is expected to see remarkable growth.

The Group's main project in progress is the construction of a new production base for knitted garment fabrics in Vietnam. In addition, the Group also intends to increase automation in its existing yarn production base in order to reduce human resources. It is expected that the Group's business will recover significantly in 2021. Inferred from the current market conditions, excluding the sales volume of the trading business, the Group is aiming to sell 840,000 tonnes of yarn, 60 million meters of grey fabrics, 140 million meters of woven garment fabrics, 30,000 tonnes of knitted garment fabrics and 11 million pieces of jeanswear in 2021.

On 27 July 2020, the Group was once again named among the "Fortune 500 Chinese Companies 2020", and was also ranked third by the China Cotton Textile Association among cotton textile enterprises in terms of comprehensive competitiveness; a strong endorsement of its continuously expanding business and proven business model. The Group will continue to work tirelessly and exert every effort to bring long-term and sustainable returns to its shareholders.

### 前景

截至二零二零年十二月三十一日，本集團主要生產設施包括約410萬紗錠、1,900台梭織及針織織機及對應的染整設備，其中在中國及海外分別有251萬及159萬紗錠。在安全過渡疫情對業務影響的逆境後，本集團於二零二一年將繼續集中精力善用現有產能，以確保最佳效用。在原有的紗線產品組合得到恢復、梭織面料的海外生產基地開始增產以及針織面料業務在中國原來的生產基地和越南的新產能逐步貢獻收入的情況下，假設全球疫情逐步告一段落、中美貿易摩擦沒有進一步惡化、也沒有其他黑天鵝事件發生影響全球經濟，我們期望本集團的利潤率在二零二一年會有明顯改善的可能，我們也期望本集團的總銷售收入會有可觀增長。

本集團目前在進行中的項目主要為越南針織面料新生產基地的建設，另外也準備為現有紗線生產基地提高自動化減低用工人數投入資源，預期二零二一年本集團的業務將明顯復甦。按目前市場情況推斷，不計算貿易有關的銷售量，本集團於二零二一年的銷售目標為84萬噸紗線、6,000萬米坯布、1.4億米梭織面料、30,000噸針織面料及1,100萬件牛仔服裝。

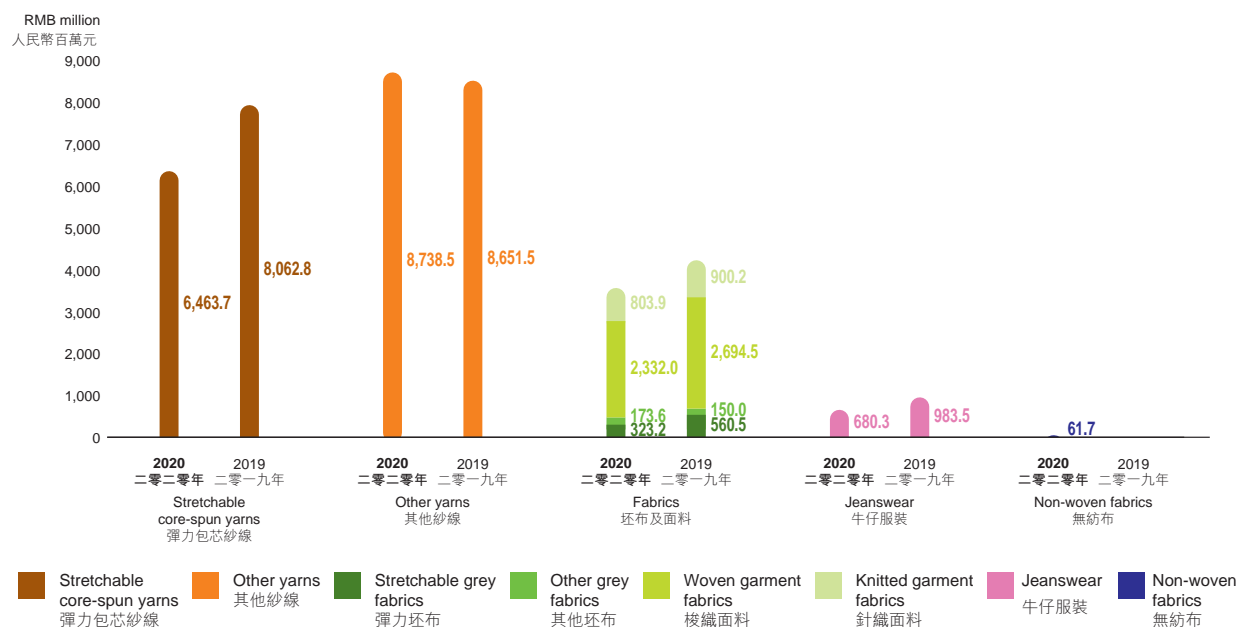
於二零二零年七月二十七日，本集團繼續榮獲為《財富》雜誌推選為二零二零年中國企業500強之一，另外我們也榮獲中國紡織協會棉紡企業綜合競爭力排名全國第三位，證明集團不斷壯大，業務模式繼續獲得廣泛認同。本集團將繼續努力不懈，全力為股東帶來長遠及可持續的回報。

# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Sales

During the Year, the sales of the Group mainly comprises the sales of yarns, grey fabrics, non-woven fabrics and garment fabrics, as well as jeanswear. Yarns continued to be the Group's major product. With the decrease of selling prices of yarns in the first half of the year, the sales of yarns decreased by about 9.0% in 2020 as compared to that of 2019. Sales analyses of the Group by products are shown below.



## 財務回顧

### 銷售

年內，本集團的銷售主要來自銷售紗線、坯布、無紡布及面料與牛仔服裝。紗線繼續為本集團的主要產品。由於上半年紗線銷售價格下降，二零二零年本集團紗線銷售額較二零一九年下降約9.0%。下列為本集團各種產品的銷售分析。

		2020 二零二零 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	Revenue change 收入變動
Stretchable core-spun yarns	彈力包芯紗線	6,463,724	8,062,776	-19.8%
Other yarns	其他紗線	8,738,517	8,651,516	1.0%
Stretchable grey fabrics	彈力坯布	323,177	560,477	-42.3%
Other grey fabrics	其他坯布	173,624	150,019	15.7%
Woven garment fabrics	梭織面料	2,332,003	2,694,451	-13.5%
Knitted garment fabrics	針織面料	803,873	900,225	-10.7%
Jeanswear	牛仔服裝	680,312	983,479	-30.8%
Non-woven fabrics	無紡布	61,708	-	-
<b>Total</b>	<b>總計</b>	<b>19,576,938</b>	<b>22,002,943</b>	<b>-11.0%</b>

# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (Continued)

### Sales (Continued)

## 財務回顧(續)

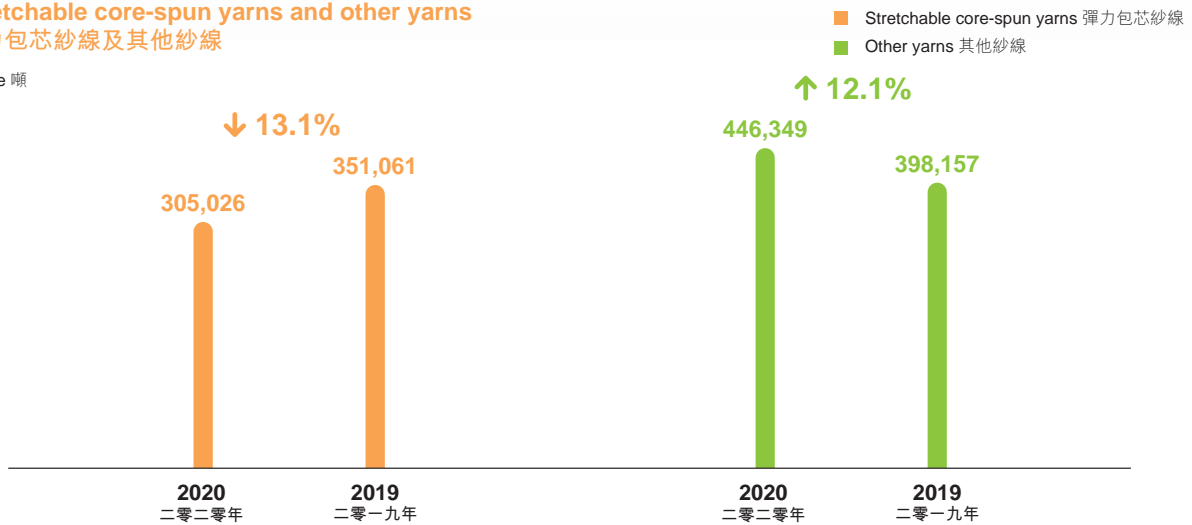
### 銷售(續)

### Sales Volume

#### 銷量

#### Stretchable core-spun yarns and other yarns 彈力包芯紗線及其他紗線

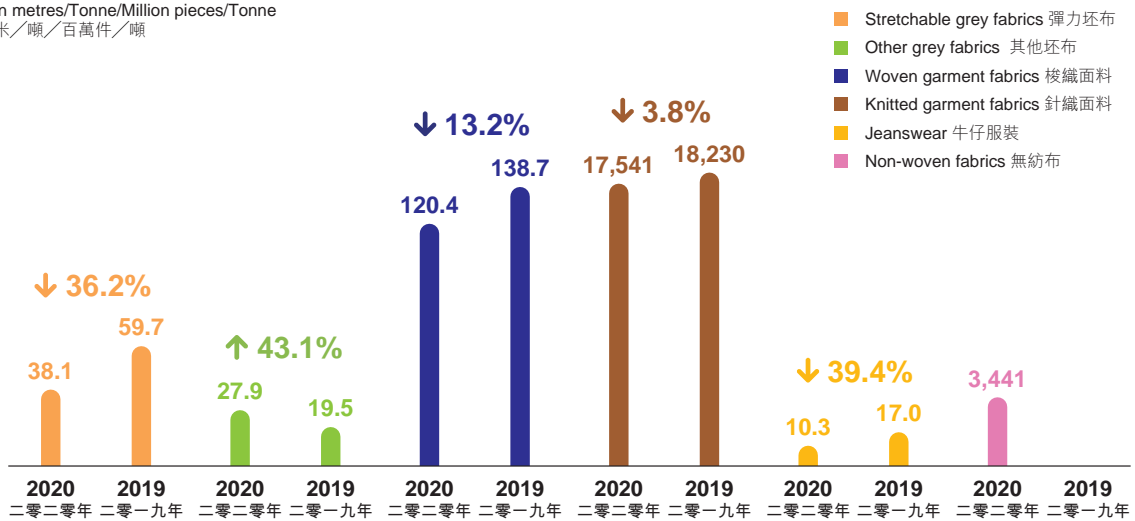
Tonne 噸



#### Stretchable grey fabrics, Other grey fabrics, Woven garment fabrics, Knitted garment fabrics, Jeanswear and Non-woven fabrics

彈力坯布、其他坯布、梭織面料、針織面料、牛仔服裝及無紡布

Million metres/Tonne/Million pieces/Tonne  
百萬米/噸/百萬件/噸



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Sales (Continued)

### 財務回顧(續)

#### 銷售(續)

	Sales volume		Selling price		Gross profit margin		
	銷量		售價		毛利率		
	2020	2019	2020	2019	2020	2019	
	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	
Stretchable core-spun yarns (Tonne/RMB per tonne)	彈力包芯紗線(噸/人民幣每噸)	305,026	351,061	21,191	22,967	16.8%	14.8%
Other yarns (Tonne/RMB per tonne)	其他紗線(噸/人民幣每噸)	446,349	398,157	19,578	21,729	10.8%	12.3%
Stretchable grey fabrics (Million metres/RMB per metre)	彈力坯布(百萬米/人民幣每米)	38.1	59.7	8.5	9.4	12.0%	15.2%
Other grey fabrics (Million metres/RMB per metre)	其他坯布(百萬米/人民幣每米)	27.9	19.5	6.2	7.7	14.6%	24.6%
Woven garment fabrics (Million metres/RMB per metre)	梭織面料(百萬米/人民幣每米)	120.4	138.7	19.4	19.4	16.5%	16.6%
Knitted Garment fabrics (Tonne/RMB per tonne)	針織面料(噸/人民幣每噸)	17,541	18,230	45,828	49,382	17.7%	12.7%
Jeanswear (Million pieces/RMB per piece)	牛仔服裝(百萬件/人民幣每件)	10.3	17.0	66.0	57.9	2.2%	5.4%
Non-woven fabrics (Tonne/RMB per tonne)	無紡布(噸/人民幣每噸)	3,441	-	17,933	-	3.3%	-

The Chinese textile market is the Group's major market, accounted for 70.4% of our total sales of 2020. The percentage of Group's exports has experienced a decrease as compared to 2019 due to the impact of global pandemic in 2020.

As at the date of this annual report, the Group has more than 5,000 customers. As the Group produces differentiated products, the Group does not rely on orders from a particular customer. The ten largest customers of the Group only accounted for 12.8% of the total sales of the Group for the year ended 31 December 2020.

#### Gross profit and gross margin

For the year ended 31 December 2020, gross profit of the Group decreased from RMB2.99 billion to RMB2.71 billion, representing a decrease of 9.6% as compared to that of 2019. The overall gross profit margin increased by 0.2 percentage point to 13.8% as compared to that of 2019. Driven by the recovery of the textile and garment market and the rebound of the raw material price in the fourth quarter of 2020, the average gross profit margin in the second half of 2020 has rebounded from the bottom as compared to 11.4% in the first half of 2020.

中國紡織市場是本集團的主要市場，佔本集團二零二零年總銷售額的70.4%。二零二零年受全球疫情影響，本集團出口比例較二零一九年有所降低。

於本年報日期，本集團擁有客戶逾5,000家。由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，截至二零二零年十二月三十一日止年度本集團十大客戶僅佔本集團總銷售額的12.8%。

#### 毛利及毛利率

截至二零二零年十二月三十一日止年度，本集團的毛利由二零一九年人民幣29.9億元減少9.6%至人民幣27.1億元。整體毛利率較二零一九年上升0.2個百分點至13.8%。受二零二零年第四季度紡織服裝市場回暖及原材料價格回升所推動，對比二零二零年上半年的11.4%平均毛利率，二零二零年下半年已從谷底回升。

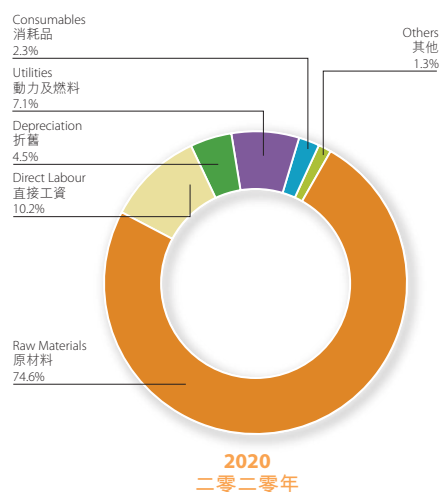
# 管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (Continued)

### Cost structure

For the year ended 31 December 2020, cost of sales dropped by 11.3% to RMB16.9 billion due to the decrease in sales. Raw materials cost accounted for about 74.6% of the total cost of sales of 2020. Cotton is our major raw material.

The breakdown of our cost of sales in 2019 and 2020 is shown below:



### Selling and distribution costs

For the year ended 31 December 2020, the Group's selling and distribution costs amounted to RMB752.3 million, representing a decrease of 11.2% when compared to that of 2019. It was mainly due to the decrease in overall sales revenue and sales volume of grey fabrics and garment fabrics, which led to the decrease in salaries of sales personnel and transportation and storage costs.

### General and administrative expenses

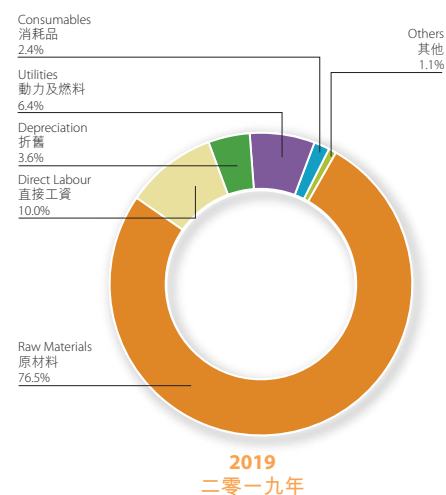
For the year ended 31 December 2020, the Group's general and administrative expenses amounted to RMB1,034 million, which represented an increase of 2.3% when compared with 2019, and accounted for 5.3% of the Group's revenue. The increase was mainly due to a business acquired by the Group during 2019, the general expenses of which were consolidated into the Group for the entire 2020 fiscal year.

## 財務回顧(續)

### 成本架構

截至二零二零年十二月三十一日止年度，由於銷售減少，銷售成本較二零一九年下降 11.3% 至人民幣 169 億元。於二零二零年之原材料成本佔總銷售成本約 74.6%。棉花為我們的主要原材料。

下列為本集團於二零一九年及二零二零年的銷售成本明細：



### 銷售及分銷開支

截至二零二零年十二月三十一日止年度，本集團之銷售及分銷開支較二零一九年下降 11.2% 至人民幣 7.523 億元。主要是由於整體銷售收入及坯布和面料銷量的下降，導致銷售人員薪資及運輸和倉儲成本下降所致。

### 一般及行政開支

截至二零二零年十二月三十一日止年度，本集團之一般及行政開支為人民幣 10.34 億元，較二零一九年增加 2.3%，佔本集團收入的 5.3%。增幅乃主要由於二零一九年期間本集團收購業務的一般開支於二零二零年作全年合併計入本集團所致。



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Cash flows

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	<b>3,300,785</b>	2,418,356
Net cash used in investing activities	投資活動所耗現金淨額	<b>(577,713)</b>	(1,939,288)
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	<b>(1,870,318)</b>	297,070
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	<b>2,683,613</b>	1,830,859

For the year ended 31 December 2020, net cash generated from operating activities of the Group amounted to RMB3,300.8 million, which represents a significant increase comparing with 2019 mainly due to the improvement in working capital management and relatively low level of receivables and inventories maintained by the Group to cope with the severe market environment in 2020. Net cash used in investing activities amounted to RMB577.7 million, which was mainly used for the payment of expenditures for yarn, garment fabrics and non-woven fabrics projects under construction in Mainland China and overseas production bases in Vietnam and Americas. During the Year, net cash used in financing activities amounted to RMB1,870.3 million, which was mainly due to early partial repayment of bank borrowings by the Group due to the improved operating environment in the second half of 2020.

#### Liquidity and financial resources

As at 31 December 2020, the Group's bank and cash balances (including pledged bank deposits) amounted to RMB2,944.2 million (as at 31 December 2019: RMB1,852.3 million). The Group's inventories decreased by RMB1,304.4 million to RMB3,795.7 million and our trade and bills receivables increased by RMB200.9 million to RMB1,735.6 million as at 31 December 2020 (as at 31 December 2019: RMB5,100.1 million and RMB1,534.7 million respectively). The inventory turnover days and trade and bills receivables turnover days were 95 days and 30 days respectively, compared to 98 days and 27 days in 2019. The inventory turnover days were lower, mainly due to the market recovery in the fourth quarter of 2020 and remarkable increase in sales of the Group, resulting in a lower inventory level at the end of the year. The turnover days of trade and bills receivables were slightly higher than the level of last year, mainly due to the slowdown in the collection of receivables from some overseas customers as a result of the outbreak of COVID-19.

Trade and bills payables of the Group decreased by RMB383.2 million to RMB2,652.7 million as at 31 December 2020 (as at 31 December 2019: RMB3,035.9 million), the payable turnover days was 61 days, compared to 62 days in 2019. The payable turnover days was nearly the same as last year.

### 財務回顧(續)

#### 現金流量

截至二零二零年十二月三十一日止年度，本集團錄得經營活動所得現金淨額人民幣33,008億元，相較二零一九年大幅上升，主要是由於二零二零年為應對嚴峻的市場環境，本集團加強營運資金管理，控制應收賬款和存貨保持在較低水平所致。投資活動所耗現金淨額為人民幣5,777億元，主要用於中國內地、越南及美洲等海外生產基地在建的紗線和面料及無紡布項目開支之付款。年內，融資活動所耗現金淨額為人民幣18,703億元，主要由於二零二零年下半年經營環境有所改善，本集團提前償還了部份銀行借貸。

#### 流動資金及財務資源

於二零二零年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)為人民幣29,442億元(於二零一九年十二月三十一日：人民幣18,523億元)。本集團於二零二零年十二月三十一日的存貨及應收貿易及票據款項分別減少人民幣13,044億元至人民幣37,957億元及增加人民幣2,009億元至人民幣17,356億元(於二零一九年十二月三十一日：分別為人民幣51,001億元及人民幣15,347億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為95天及30天，而二零一九年則分別為98天及27天。存貨周轉天數略有下降，主要是因為二零二零年第四季度，市場回暖，本集團銷售大幅增長導致年底庫存水平較低。應收貿易及票據款項周轉天數略高於去年水平，主要是受新型冠狀病毒肺炎疫情影響，部分海外客戶應收賬款回款速度放緩所致。

於二零二零年十二月三十一日，本集團的應付貿易及票據款項減少人民幣3,832億元至人民幣26,527億元(於二零一九年十二月三十一日：人民幣30,359億元)，其付款周轉天數為61天，而二零一九年則為62天。應付款項周轉天數與去年基本持平。

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Liquidity and financial resources (Continued)

The total bank borrowings of the Group decreased by RMB1,221.5 million to RMB7,063.1 million as at 31 December 2020. Current bank borrowings increased by RMB477.9 million to RMB3,837.5 million while non-current bank borrowings decreased by RMB1,699.4 million to RMB3,225.6 million. The increase in the proportion of current bank borrowings was mainly due to the financing for working capital for the Group's new production capacity. In the fourth quarter of 2020, the operating environment improved, and the Group repaid some non-current bank borrowings in advance, which reduced the overall liability level of the Group.

As at 31 December 2020 and 2019, the key financial ratios of the Group were as follows:

		2020 二零二零年	2019 二零一九年
Current ratio	流動比率	1.16	1.29
Debt to equity ratio <sup>1</sup>	負債權益比率 <sup>1</sup>	0.90	1.11
Net debt to equity ratio <sup>2</sup>	負債淨額權益比率 <sup>2</sup>	0.52	0.86

<sup>1</sup> Based on total borrowings over equity attributable to shareholders

<sup>2</sup> Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders

### 財務回顧(續)

#### 流動資金及財務資源(續)

於二零二零年十二月三十一日，本集團的銀行借貸總額減少人民幣12.215億元至人民幣70.631億元。流動銀行借貸增加人民幣4.779億元至人民幣38.375億元，而非流動銀行借貸則減少人民幣16.994億元至人民幣32.256億元。流動銀行借貸的比例增加主要是為本集團新增的產能提供營運資金融資所致。二零二零年第四季度，經營環境有所改善，本集團提前償還了部分非流動銀行借貸，降低了集團整體的負債水平。

於二零二零年及二零一九年十二月三十一日，本集團之主要財務比率如下：

	2020 二零二零年	2019 二零一九年
Current ratio	1.16	1.29
Debt to equity ratio <sup>1</sup>	0.90	1.11
Net debt to equity ratio <sup>2</sup>	0.52	0.86

<sup>1</sup> 根據總借貸除以股東應佔權益

<sup>2</sup> 根據總借貸(減去現金及現金等值物及已抵押銀行存款)除以股東應佔權益

#### Borrowings

As at 31 December 2020, the Group's total bank borrowings amounted to RMB7,063.1 million, among which RMB1,846.3 million (26.1%) was denominated in Renminbi, RMB1,873.8 million (26.5%) was denominated in United States dollars ("US\$" or "USD") and RMB3,343.0 million (47.4%) was denominated in Hong Kong dollars ("HK\$" or "HKD"). These bank borrowings borne interest rates ranging from 1.0% to 5.1% per annum (2019: 2.1% to 4.9%).

As at 31 December 2020, the Group has outstanding current bank borrowings of RMB3,837.5 million (2019: RMB3,359.6 million). The increase in current bank borrowings was mainly used for working capital for the Group's new production capacity.

In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants.

#### 借貸

於二零二零年十二月三十一日，本集團的銀行借貸總額為人民幣70.631億元，其中人民幣18.463億元(26.1%)以人民幣計值，及人民幣18.738億元(26.5%)以美元(「美元」)計值以及人民幣33.430億元(47.4%)則以港元(「港元」)計值。該等銀行借貸按年利率1.0%至5.1%(二零一九年：2.1%至4.9%)計息。

於二零二零年十二月三十一日，本集團之未償還流動銀行借貸為人民幣38.375億元(二零一九年：人民幣33.596億元)。流動銀行借貸增加主要是為本集團新增產能提供營運資金。

本集團須就其借貸遵守若干財務限制條款。

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Borrowings (Continued)

As at 31 December 2020, bank borrowings of RMB353.6 million (as at 31 December 2019: 520.8 million) were secured by bills receivable with a net book amount of RMB160 million (as at 31 December 2019: nil) and bank deposits with a net book amount of RMB200 million (as at 31 December 2019: 8.00 million), and none were secured by machinery equipment and inventories (As at 31 December 2019: the machinery and equipment with a net book amount of RMB709.5 million and inventories with a total amount of RMB66.58 million).

#### Foreign exchange risk

The Group mainly operates in the PRC and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB, US\$ and HK\$. Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's exposure to foreign exchange risk is mainly attributable to its borrowings and raw material procurement denominated in US\$ or HK\$. The Group manages its foreign exchange risks by performing regular reviews and closely monitoring its foreign exchange exposures.

To mitigate the depreciation risk of RMB, the Group has purchased certain amount of currency option contracts and currency swap contracts so that a significant portion of currency exposure is hedged against.

#### Capital expenditure

For the year ended 31 December 2020, the capital expenditure of the Group amounted to RMB539.8 million (2019: RMB2,101 million). It mainly related to the production capacity of yarns, garment fabrics and non-woven fabrics under construction in China, Vietnam, Americas and Turkey during the period under review.

#### Contingent liabilities

As at 31 December 2020, the Group had no material contingent liabilities.

#### Disclosure pursuant to Rule 13.18 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange")

As announced by the Company on 20 April 2016, by an agreement dated 20 April 2016 ("2016 Facility Agreement") entered into by, among others, Texhong Galaxy Technology Limited ("Texhong Galaxy"), a wholly-owned subsidiary of the Company, as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a facility ("2016 Facility") in the aggregate principal amount of up to US\$103,000,000 to finance the development of Texhong Galaxy's production plant in Haiha District, Quang Ninh Province, Vietnam. The 2016 Facility shall be fully repaid in April 2023 and is guaranteed by the Company.

### 財務回顧(續)

#### 借貸(續)

於二零二零年十二月三十一日，人民幣3.536億元的銀行借貸(於二零一九年十二月三十一日：人民幣5.208億元)以賬面淨值為人民幣1.600億元的應收票據(於二零一九年十二月三十一日：零)以及賬面淨值為人民幣2.000億元的銀行存單(於二零一九年十二月三十一日：人民幣800萬元)作抵押，概無以機器設備和存貨作抵押(於二零一九年十二月三十一日：賬面淨值為人民幣7.095億元的機器設備及總額為人民幣6,658萬元的存貨)。

#### 外匯風險

本集團主要在中國及越南營運。本集團大部分交易、資產及負債以人民幣、美元及港元計值。外匯風險可能來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團所面對的外匯風險主要來自其以美元或港元計值的借貸及原料採購貨款。本集團進行定期檢討及密切關注其外匯風險程度以管理其外匯風險。

為應對人民幣貶值風險，本集團透過購入若干的貨幣期權合同及貨幣掉期合同以令很大一部分外幣敞口得以對沖。

#### 資本開支

截至二零二零年十二月三十一日止年度，本集團之資本開支為人民幣5.398億元(二零一九年：人民幣21.01億元)，主要與回顧期內於中國、越南、美洲及土耳其在建的紗線和面料及無紡布產能相關。

#### 或然負債

於二零二零年十二月三十一日，本集團並無重大或然負債。

#### 根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條作出之披露

誠如本公司於二零一六年四月二十日所公佈，藉著本公司全資附屬公司天虹銀河科技有限公司(「天虹銀河」)(作為借款人)與由多間銀行及財務機構組成之銀團(作為貸款人)所訂立日期為二零一六年四月二十日之協議(「二零一六年信貸協議」)，貸款人同意授出一項本金總額最多為103,000,000美元的融資(「二零一六年信貸融資」)，以撥付天虹銀河於越南廣寧省海河區生產廠房之發展。二零一六年信貸融資須於二零二三年四月全數償還，並由本公司作擔保。

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Disclosure pursuant to Rule 13.18 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Continued)

The 2016 Facility Agreement contains a requirement that Mr. Hong Tianzhu shall maintain, directly or indirectly, the status of the largest individual shareholder of the Company and maintain the position of chairman of the Group. A breach of such requirement will constitute an event of default under the 2016 Facility Agreement, and as a result, the 2016 Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As at the date of this annual report, the Company is in compliance with the 2016 Facility Agreement.

### Human resources

As at 31 December 2020, the Group had a total workforce of 38,545 employees (as at 31 December 2019: 41,108), of whom 19,707 employees were located in the sales headquarters and our manufacturing plants in Mainland China. The remaining 18,838 employees were stationed in regions outside Mainland China including Vietnam, Cambodia, Turkey, Nicaragua, North America, Hong Kong of China and Macao of China. The Group will continue to optimize its human resources structure and offer a competitive remuneration package to its employees. As the Group's success is dependent on the contribution of a group of skillful and motivated employees who form functional departments, the Group is committed to creating a learning and sharing culture in the organization, placing strong emphasis on the training and development of individual staff and team building.

### Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year attributable to owners of the Company, providing shareholders with an equitable return. The Board has resolved to distribute a final dividend of 20 HK cents per share for the year ended 31 December 2020 to shareholders whose names appear on the register of members on 12 May 2021 and will be payable on or about 27 May 2021, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company on 3 May 2021. No interim dividend was declared by the Company during the year of 2020.

### MATERIAL RISKS OF THE GROUP

The following are the key risks that the Group considers to be of great significance to the Group in its current status. These risks may have adverse effect on the Group's business.

For the possible impact of each risk on the Group should it occur, we have made a detail description and set down corresponding control measures and mitigation plan to manage the risk.

### 財務回顧(續)

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.18條作出之披露(續)

二零一六年信貸協議規定洪天祝先生須繼續(直接或間接)維持本公司最大個人股東的地位及繼續擔任本集團主席一職。違反有關規定將構成二零一六年信貸協議項下之違約事項，並因此二零一六年信貸融資須即時宣佈為到期及應付。發生有關情況可能導致觸發本集團其他銀行／信貸融資額度之交叉違約條文，因此，該等其他信貸額度亦可能即時宣佈為到期及應付。

於本年報日期，本公司遵守二零一六年信貸協議。

### 人力資源

於二零二零年十二月三十一日，本集團擁有合共38,545名僱員(於二零一九年十二月三十一日：41,108名)，其中19,707名僱員位於中國內地之銷售總部及生產工廠。其餘18,838名僱員駐於中國內地境外地區，包括越南、柬埔寨、土耳其、尼加拉瓜、北美、中國香港及中國澳門。本集團仍會不斷優化人力資源架構，並向其僱員提供具競爭力的薪金待遇。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於組織內建立學習及分享文化，重視員工的個人培訓及發展，以及建立團隊。

### 股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內歸屬於本公司擁有人淨利潤約30%，為股東提供合理回報。董事會已決議分派截至二零二零年十二月三十一日止年度之末期股息每股20港仙，予名列二零二一年五月十二日股東名冊內之股東，並將於二零二一年五月二十七日或前後派發，惟須得到股東於二零二一年五月三日本公司應屆股東週年大會上批准後，方可作實。本公司於二零二零年並無宣派中期股息。

### 本集團的重大風險

以下為我們認為對本集團就其現狀而言意義重大的主要風險。該等風險可能會對本集團的業務造成不利影響。

對於每一類風險發生時可能對本集團產生的影響，我們都作了詳細描述，並制訂了相應的監控措施和對策來管理該等風險。



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

The impact of risk relating to the business of the Group will change over time. The size, complexity and coverage of our business and the changing environment in which the Group operates also mean that the list cannot be an exhaustive list of all material risks that could affect the Group.

### 本集團的重大風險(續)

與本集團業務有關的風險的影響將隨時間推移。我們業務的規模、複雜程度和覆蓋範圍以及經營環境的不斷變化也意味著此列表不可能包含所有影響本集團的重大風險。

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Business concentration</b> 業務集中</p>	<ul style="list-style-type: none"> <li>Enhance customer communication with an outstanding marketing team which thoroughly understands the requirements of customers</li> <li>Step up cooperation with raw material suppliers and monitor the market trend of change in new textile materials</li> <li>Boost input for research and development team and improve product functionality and develop new products in response to market demands</li> <li>Explore downstream industries and increase the contribution of downstream products</li> <li>Facilitate the development of import and export business continuously to tap into overseas markets</li> <li>Promote diversified development in the industry so as to survive under adverse macro-environment, in view of the fact that the textile industry is large in scale despite its vulnerability to the economic and social environment</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>Global outbreak of COVID-19 still affects the textile retail industry in the European countries and the United States. As the Group's business is concentrated in the textile industry, it is difficult to completely avoid the operational risks brought about by such circumstance.</li> <li>The uncertainty of the U.S. policies towards China may affect the textile industry in China. The Mainland China is still the major market of the Group, which brings certain operating risks.</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>全球新型冠狀病毒肺炎疫情仍然影響歐美等國家的紡織零售業，本集團業務集中在紡織行業，難以完全規避由此帶來的運營風險。</li> <li>美國對華政策的不確定性可能影響中國紡織行業，中國內地仍為本集團主要市場，由此帶來一定的經營風險。</li> </ul>
<p>Product concentration: The Group has established its market position as a manufacturer of high value-added core-spun textile products and core-spun yarn is the major earning source of the Group. In the event of any change in fashion trend, customers may prefer other textile materials. Competition in such market may also intensify suddenly. If the Group fails to respond to the change in an efficient and effective manner, the profitability of the Group may be adversely affected.</p>	<ul style="list-style-type: none"> <li>透過優秀的市場營銷團隊，加強與客戶溝通，充分及時瞭解客戶需求</li> <li>加強與原料供應商的合作，關注市場新紡織物料變動趨勢</li> <li>加大研發團隊投入，應市場需求改善產品功能及開發新產品</li> <li>拓展下游產業，增加下游產品的比重</li> <li>不斷加強進出口業務的開發，開拓海外市場</li> <li>雖然紡織行業容易受到經濟及社會環境影響，但由於其規模龐大，透過在行業內多元化發展將有利於企業在不利的宏觀環境中生存</li> </ul>	
<p>Geographical concentration: The Group has several production bases located in the Mainland China, which is the major market of the Group and, thus, the Group is subject to the economic, political and social condition and change in domestic demand for the products of the Group in China.</p>		
<p>產品集中：本集團已在市場建立其作為高附加值包芯紡織產品製造商的地位，包芯紗線為本集團主要盈利點。倘若時裝潮流有任何變化，客戶日後可能偏好其他紡織物料，又或者該市場的競爭突然變得更激烈，如果本集團未能迅速及有效回應變動，本集團的盈利能力或會受不利影響。</p>		
<p>地域集中：本集團在中國內地擁有多個生產基地，並且中國內地為本集團主要市場，因此本集團受到中國經濟、政治和社會狀況以及本集團產品於中國國內需求的改變的影響。</p>		



# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Risk of fluctuation of cotton prices</b> 棉花價格波動風險</p> <p>Cotton is the major production material of the Group and the fluctuation of cotton prices may not align with fluctuation of end-product prices at all times. In the event of intense fluctuation of cotton prices, the gross profit margin of the Group will be heavily affected.</p>	<ul style="list-style-type: none"> <li>• Closely monitor the dynamics of cotton futures and supply and demand balance and correlation in the spot market and hedge risks mainly through measures like maintaining stable procurement and inventory strategies</li> <li>• Diversify the development of the synthetic fiber category and reduce the Group's reliance on the cotton category</li> </ul>	<p>↔ Unchanged</p>
<p>棉花是本集團主要的生產原料，棉花價格的波動幅度不一定與終端產品的價格波動完全同步。倘若棉花價格劇烈波動，將會對本集團毛利率造成巨大影響。</p>	<ul style="list-style-type: none"> <li>• 密切關注棉花期貨動向以及現貨市場的供需平衡及相關性，主要以維持穩定的採購及存貨策略等措施來對沖風險</li> <li>• 增加化纖產品品種開發，降低本集團對棉紗品種的依賴</li> </ul>	<p>↔ 無變動</p>
<p><b>Foreign exchange and interest risk</b> 外匯及利率風險</p> <p>Fluctuation of exchange rate may result in material losses on foreign currency and affect the raw material procurement costs and financing costs of the Group. In the event of intensified fluctuation of the exchange rate of USD/RMB, the profitability of the Group may be subject to material uncertainties.</p>	<ul style="list-style-type: none"> <li>• Foster communication with financial institutions and market analysis institutions to interpret the dynamics of financial market and make specific adjustments to financing structure</li> <li>• Increase loans in RMB to reduce the ratio of loans in USD to directly mitigate risks</li> <li>• Lock up exposure of liabilities in foreign currencies, including foreign liabilities arising from daily operation and financing, using foreign exchange financial products, such as forward contracts and options</li> <li>• Closely monitor various important economic data published by the People's Bank of China and the Federal Reserve and keep abreast with its interest rate policy</li> <li>• Obtain quotations for interest rate swap from financial institutions regularly and utilize financial instruments in a timely manner to switch from floating to fixed interest rate</li> </ul>	<p>↔ Unchanged</p>
<p>In the event of increase in prevailing interest rates of banks, liabilities at floating rates may cause an increase in financing costs of the Group.</p> <p>匯率波動可能導致重大外幣損失，影響本集團的原料採購成本以及融資成本。倘若美元／人民幣的匯率波動加劇，本集團的盈利能力可能將面臨重大不確定性。</p>	<ul style="list-style-type: none"> <li>• 加強與金融機構及市場分析機構的溝通，瞭解金融市場動向，針對性的調整融資結構</li> <li>• 增加人民幣貸款以減低美元貸款比例，直接降低風險</li> <li>• 利用遠期合約、期權等外匯金融產品來鎖定外幣負債敞口，包括日常經營的外幣負債及融資性外幣負債</li> <li>• 密切關注中國人民銀行及美聯儲的各項重要經濟數據，對其利率政策持續關注</li> <li>• 與金融機構保持常規利率掉期報價，適時利用金融工具將浮動利率變為固定利率</li> </ul>	<p>↔ 無變動</p>
<p>倘若銀行現行利率上升，浮動計息的負債或會導致本集團融資成本增加。</p>		

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Financing risk</b> 融資風險</p>		
<p>The business scale of the Group is relatively large, but it also seizes the opportunities to increase its investment with higher financing needs. In the event that the financial institutions which provide the existing facilities cease to offer such financing to the Group or banking facilities on similar terms and the Group fails to obtain alternatives, the Group may not have sufficient funds for its commitment of capital projects and may restrict or hinder the business operation of the Group. In the event that the operating environment deteriorates, it may even affect the operation of the existing business of the Group.</p>	<ul style="list-style-type: none"> <li>• Enhance the transparency of the Group's operation for banks' understanding and maintain good working relationship between the Group and financial institutions</li> <li>• Monitor various financing indicators in real-time and provide timely alerts to ensure compliance in respect of various indicators</li> <li>• Diversify the portfolio of financial institutions and financing products</li> <li>• Devise a reasonable spread for financing with different terms to strike a balance between financing costs and risks</li> </ul>	<p>↔ Unchanged</p>
<p>本集團業務規模較大，同時也會抓住一些機會增加投資，有較高的融資需要。倘若提供現有融資的金融機構停止向本集團提供有關融資或類似條款的銀行融資，而本集團亦未能另覓新的融資，則本集團或不能獲得足夠的資金用於資本項目投入，因而可能限制或阻礙本集團的業務營運。若經營環境惡化，甚至可能影響到本集團現有業務的營運。</p>	<ul style="list-style-type: none"> <li>• 增強銀行對於集團運行狀況瞭解的透明度，維護好本集團與融資機構的合作關係</li> <li>• 實時監控各項融資指標，及時預警，確保各項指標不違約</li> <li>• 增加融資機構和融資產品組合的多樣性</li> <li>• 合理配置不同期限的融資，兼顧融資成本及融資風險</li> </ul>	<p>↔ 無變動</p>

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Customer credit management risk</b> 客戶信用管理風險</p> <p>The Group focuses on producing a wide range of products and does not rely on a particular individual customer. The Group works with more than 5,000 customers from an enormous and widespread portfolio. As a result of the unfavourable market environment and request from part of the customers to extend credit terms, the Group is facing a risk of the receivables turning into bad debts.</p> <p>本集團以生產各式各樣的產品為重點，不依賴於某單一客戶。本集團擁有客戶逾5,000家，客戶眾多且地區分布分散。由於市場環境嚴峻，加上有部份客戶要求延長信用期，本集團面對應收賬款的壞賬風險。</p>	<ul style="list-style-type: none"> <li>• Monitor and evaluate credit terms granted to customers regularly</li> <li>• Monitor the collectability of receivables in real-time and provide alerts and warnings for amount overdue and customers with abnormal business operation</li> <li>• Closely monitor market dynamics and operation of customers to devise plan for customer visit and collect the latest information of customers</li> <li>• Enhance customer reconciliation system</li> <li>• Adopt collectability of receivables as a criterion of staff performance assessment to promote staff members' awareness of payment demand</li> <li>• Arrange export credit insurance for all overseas customers with newly established relationship</li> </ul> <ul style="list-style-type: none"> <li>• 監察及定期評估客戶的賬期</li> <li>• 實時監督應收款情況，對超期以及業務營運異常的客戶的應收賬款進行預警提示</li> <li>• 密切關注市場動態和客戶經營情況，制定客戶拜訪的計劃，瞭解客戶最新信息</li> <li>• 改善客戶對賬機制</li> <li>• 將應收款的回收情況納入業務員績效考核，增強業務人員的催款意識</li> <li>• 對於所有剛剛合作的海外客戶均辦理出口信用保險</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increasing business volume and business type lead to increasing total receivables</li> <li>• Tougher policies implemented by foreign governments on China spurs operation risk for Chinese manufactures</li> <li>• Global outbreak of COVID-19 still affects the operation and cash flow of brand customers, chain supermarkets and retailers</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 業務量及業務類型的不斷增加導致應收款總額增加</li> <li>• 中國廠商因外國政府對華政策轉趨強硬導致經營風險增加</li> <li>• 全球新型冠狀病毒肺炎疫情仍然影響品牌客戶及連鎖超市、零售商的經營及現金流周轉</li> </ul>

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Product liability risk</b> 產品責任風險</p> <p>The Group offers a wide range of products and its portfolio is ever-expanding, creating a huge risk of product liability for the Group. Although the Group has not suffered any material losses from product liability claim, there have been individual claims from customers in respect of product quality.</p> <p>本集團產品品種繁多，且新品種日益增加，對本集團產品責任帶來了巨大的風險。雖然本集團尚未因產品責任導致任何重大損失，但是存在客戶對於產品質量的個別索賠事件。</p>	<ul style="list-style-type: none"> <li>• Increase efforts on quality control and devise improvement solutions for quality fluctuation</li> <li>• Control production process using state-of-the-art measurement equipment and online quality control system</li> <li>• Improve production technology training for staff members and cultivate responsibility awareness of plant production staff and management members at each level</li> <li>• Actively reach out to customers for product liability incidents and coordinate for resolution and hold relevant staff accountable internally</li> <li>• 加大質量監控力度並針對出現的質量波動進行改進攻關</li> <li>• 利用先進的檢測儀器及在綫質量控制系統，對產品生產的過程進行控制</li> <li>• 增加員工生產技術的培訓，提高工廠生產人員及各級管理人員的責任意識</li> <li>• 就產品責任事件與客戶積極溝通，協調處理，對內追究相關人員責任</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increased product portfolio</li> <li>• More stringent requirements on product quality and differentiation from customers</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 新品種增加</li> <li>• 客戶對產品質量及差異化的要求提高</li> </ul>
<p><b>Tax risk</b> 稅務風險</p> <p>The operation presence of the Group covers various countries and regions, including the Mainland China, Hong Kong, Macau, Vietnam, Turkey and Americas. In the course of tax planning and daily operation, we are subject to the following tax risks:</p> <ul style="list-style-type: none"> <li>• Risk of tax non-compliance caused by misunderstanding of regional tax policies;</li> <li>• The interpretation of tax policies and the legal conformity of tax preparation must be confirmed by the tax administration authority. In the course of such confirmation, the enforcement of tax administration may be different.</li> </ul> <p>本集團目前經營區域涵蓋中國內地、香港、澳門、越南、土耳其及美洲等多個國家和地區，在稅務籌劃及日常運營過程中，我們面臨以下稅務風險：</p> <ul style="list-style-type: none"> <li>• 對地區性稅務政策理解有誤而產生的稅務違規風險；</li> <li>• 稅務政策解讀與稅務籌劃的合法性需要得到稅務行政部門的確認。在這一確認過程中，稅務行政執法可能出現偏差。</li> </ul>	<ul style="list-style-type: none"> <li>• Engage financial officers familiar with local tax policies and regulations to conduct tax audit and handle tax examination of the government</li> <li>• Engage professional local tax consultation institutions for consultations on tax compliance advices, tax incentive policies and tax preparation solutions</li> <li>• Liaise with local tax authority frequently to have thorough understanding of change in tax policies and policy interpretation, thereby reducing risks of tax non-compliance and enforcement of tax administration</li> <li>• 聘請熟悉當地稅務政策法規的財務人員進行稅務核算，應對政府稅務檢查</li> <li>• 聘請當地專業的稅務諮詢機構進行稅務合規建議、稅務優惠政策以及稅務籌劃方案諮詢</li> <li>• 與當地稅務機關緊密溝通，全面掌握稅務政策變動及政策解讀，減少稅務違規風險以及稅務行政執法風險。</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Intensifying tax regulations in different countries</li> <li>• Increasing international coverage of operation presence, resulting in mounting overseas tax risk</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 各國稅收監管不斷增加</li> <li>• 經營區域日益國際化，凸顯海外稅務風險</li> </ul>

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<b>Legal and other regulatory risk</b> 法律及其他監管風險		
<p>As a listed company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group must comply with the "Securities and Futures Ordinance" and the "Listing Rules" of the Stock Exchange as well as the laws and regulations in places which the Group operates in. As social and economic environment evolves, many countries and relevant authorities continue to promulgate laws and rules to update economic matters, such as corporate governance, foreign investment, commerce, tax and trade. The introduction or amendments of these laws and regulations may adversely affect the business and prospects of the Group.</p>	<ul style="list-style-type: none"> <li>Engage qualified legal advisors or consultation institutions to review and provide advices on relevant documents to ensure legal compliance</li> <li>The company secretary is responsible for offering advices to the board of directors and board committees in respect of the latest legal, regulatory and governance matters and ensuring their awareness of such matters</li> </ul>	<p>↔ Unchanged</p>
<p>本集團作為一所於香港聯合交易所有限公司(「聯交所」)上市公司，必須遵守《證券及期貨條例》和聯交所《上市規則》以及本集團經營所在地的法律及法規。隨著社會經濟環境的變化，各國以及相關機構會不斷頒布更新公司管治、海外投資、商業、稅務及貿易等經濟事務的法律及規例。這些法律及法規的新增或變更均可能對本集團業務及前景造成負面影響。</p>	<ul style="list-style-type: none"> <li>聘請合資格的法律顧問或諮詢機構審閱相關文書並提出意見，確保遵從法律合規要求</li> <li>公司秘書負責向董事會及董事委員會就最新的法律、監管及管治事宜提供意見及確保他們得悉該等事宜</li> </ul>	<p>↔ 無變動</p>
<b>Energy supply risk</b> 能源供應風險		
<p>Electricity consumption of the Group's production process is huge and electricity shortage may adversely affect the operation of production facilities of the Group.</p>	<ul style="list-style-type: none"> <li>Equip production factories subject to potential electricity shortage with generators to minimize the duration of electricity shortage</li> <li>Conduct technological renovation on equipment to reduce energy consumption</li> <li>Liaise with the government to seek permit for uninterrupted electricity supply</li> </ul>	<p>↔ Unchanged</p>
<p>本集團於製造過程中耗用大量的電力，電力供應短缺可能對本集團生產設施的運轉造成不利影響。</p>	<ul style="list-style-type: none"> <li>為可能出現電力短缺的生產工廠配備發電機，盡可能縮短電力供應短缺的時間</li> <li>對設備進行技術改造，降低能源消耗</li> <li>與政府溝通，盡可能獲取持續供應電力的許可</li> </ul>	<p>↔ 無變動</p>



MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Human resources risk</b> 人力資源風險</p> <p>The Group operates in a labour-intensive industry. While our new plant, with more advanced production facilities, has helped to reduce our deployment of labour force to a certain extent, our need in manpower remains relatively high compared to some other industrial segments. If we experience any labour shortage or technical inadequacy of its labour force, the efficiency in utilization of our production facilities will be impaired, and our profitability will be affected as a result.</p> <p>The Group has been expanding its operation abroad. The cultural difference between our foreign and Chinese employees may bring risk to the regular and normal operation of our Company.</p> <p>本集團所處行業為勞動密集型行業，雖然新工廠配備了更為先進的生產設施，在一定程度上降低了勞工，但是相比其他行業，對於勞工的需求依然較高。若人員不足或人員生產技能不佳將導致生產設施利用效率降低，進而影響本集團的盈利能力。</p> <p>本集團海外規模不斷擴大，海外員工與中國籍員工的文化差異可能為企業的正常運轉帶來風險。</p>	<ul style="list-style-type: none"> <li>Commence effective performance-based unit count in recognition of the principle of 'better reward comes with greater contribution'</li> <li>Expand the scope of staff training to create a highly efficient and capable workforce</li> <li>Prepare and work further ahead on any decisions related to employees and that any issue which may arise will be promptly dealt with</li> <li>Address issue concerning the conditions of our canteen and staff quarters, enhance the quality of our employees' livelihood, and improve our backup supporting service</li> <li>Train up and enhance the management capability of our management staff, roll out skill and capability reinforcement programme, strengthen the sense of belonging and honour of our staff</li> <li>Improve staff retention through maintaining and expanding our presence in the locality</li> </ul> <ul style="list-style-type: none"> <li>高效開展績效計件，體現多勞多得的原則</li> <li>擴大員工培訓範疇，使得每個員工都具備高效的工作能力</li> <li>關係到員工方面的決策需提前做好預案，出現問題及時解決</li> <li>改善食堂、宿舍問題，提高員工生活質素，做好後勤保障服務</li> <li>培訓提升管理人員的管理水平，開展活動提升員工的質素，增強員工對企業的認同感、榮譽感</li> <li>為提升員工保有率，維護並擴大公司在當地的影響力</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>The COVID-19 epidemic has reduced the movement of people and increased the risk of understaffing</li> </ul> <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>新型冠狀病毒肺炎疫情減少了人員流動，人員不足的風險增加</li> </ul>

# 管理層討論及分析

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL RISKS OF THE GROUP (Continued)

### 本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p><b>Environmental protection compliance risk</b> 環保合規風險</p>	<ul style="list-style-type: none"> <li>• Selectively pick our suppliers, enter into purchase agreements with suppliers which guarantee the raw materials supplied are in compliance with environmental protection standard (in particular dyestuff and chemicals)</li> <li>• Establish a factory internal check system and procedure in compliance with product-wise regular core environmental protection standard, set up a highly regulated control system and strictly implement it</li> <li>• Pay attention to news about development in environmental regulations, cause new factories to operate in strict compliance with any new regulations and existing factories to transform and upgrade their facilities in order to meet with environmental protection standard</li> </ul>	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> <li>• Increase in number of dyeing factories and higher risk in environmental governance</li> <li>• Governments of different countries tighten its control over environmental protection, which may affect the production operation of business enterprises</li> </ul>
<p>Changes in existing environmental protection laws and regulations may require the Group to incur substantial expenditure to upgrade its existing environmental protection facilities and the profitability of the Group may be adversely affected.</p>	<ul style="list-style-type: none"> <li>• 優選供應商，與供應商簽訂保證原料環保達標的供貨協議，尤其是染化料及化學品方面</li> <li>• 建立產品常規核心環保指標的工廠自檢系統與流程，建立規範的管理制度並嚴格執行</li> <li>• 關注環境法規方面的變動信息，對於新建工廠嚴格按照新法規執行，對於老工廠積極進行改造及設施升級，以達到新的環保合規標準</li> </ul>	<p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> <li>• 染廠項目增加，環境治理風險增加</li> <li>• 各國政府對環保方面的管制力度增加，或對企業的生產經營產生影響</li> </ul>
<p>現有環保法律及條例出現轉變，可能令本集團產生龐大的開支，以提升其現有環境保護設施的環保等級，本集團的盈利能力可能受不利影響。</p>		

# 企業管治報告

## CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

### CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Company is committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises five executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "Code Provisions") set out in Appendix 14 to the Listing Rules. During the year ended 31 December 2020 (the "Year"), the Company had complied with the Code Provisions.

### THE BOARD

The Board currently comprises eight Directors and its composition is set out as follows:

#### Executive Directors:

Hong Tianzhu (*Chairman*)  
Zhu Yongxiang (*Vice Chairman and Chief Executive Officer*)  
Tang Daoping  
Hui Tsz Wai  
Ji Zhongliang

#### Independent non-executive Directors ("INEDs"):

Tao Xiaoming  
Cheng Longdi  
Ting Leung Huel, Stephen MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 52 to 55. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The Company has three INEDs representing more than one-third of the Board. At least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each of the INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

本集團致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

### 企業管治守則(「企業管治守則」)

本公司一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會由五名執行董事及三名獨立非執行董事組成。董事會已採納載於上市規則附錄十四內企業管治守則的守則條文(「守則條文」)。截至二零二零年十二月三十一日止年度(「年內」)，本公司已遵守守則條文。

### 董事會

董事會目前由八名董事組成，其成員載列如下：

#### 執行董事：

洪天祝(主席)  
朱永祥(副主席兼行政總裁)

湯道平  
許子慧  
吉忠良

#### 獨立非執行董事(「獨立非執行董事」)：

陶肖明  
程隆棣  
丁良輝 MH, FCCA, FCPA  
(PRACTISING), ACA, CTA(HK), FHKIoD

董事之履歷詳情載於第52至55頁之「董事及高級管理層」一節內。董事會成員間概無任何關係(包括財務、業務、家庭或其他重大/相關關係)。

本公司之三名獨立非執行董事佔董事會人數多於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

**THE BOARD** (Continued)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the Year, four Board meetings and one general meeting were held and attendance of each Director at the Board meetings and the general meeting is set out as follows:

**董事會** (續)

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行四次董事會會議及一次股東大會，各董事出席董事會會議及股東大會之情況如下：

		Number of Board meetings attended/held 出席／ 舉行董事會 會議次數	Number of General meetings attended/held 出席／ 舉行股東 大會次數
<b>Executive Directors:</b>	<b>執行董事：</b>		
Hong Tianzhu (Chairman)	洪天祝 (主席)	4/4	1/1
Zhu Yongxiang (Vice Chairman and Chief Executive Officer)	朱永祥 (副主席兼行政總裁)	4/4	0/1
Tang Daoping	湯道平	4/4	0/1
Hui Tsz Wai	許子慧	4/4	1/1
Ji Zhongliang	吉忠良	3/4	0/1
<b>Independent Non-Executive Directors:</b>	<b>獨立非執行董事：</b>		
Cheng Longdi	程隆棣	4/4	0/1
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	丁良輝 MH, FCCA, FCPA (PRACTISING), ACA, CTA(HK), FHKIoD	4/4	1/1
Tao Xiaoming	陶肖明	4/4	1/1

The Board is responsible for considering and decision making for matters covering mainly the Group's overall strategy, investment plans, annual and interim results, recommendations on Directors' appointment or reappointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

董事會負責考慮和決策之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary assists the chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議（及就可行情況下，其他董事會會議）前至少三天發呈全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

### THE BOARD (Continued)

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the company secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

### DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant and in compliance with paragraph A.6.5 of the CG Code, the Company would arrange and fund suitable continuous professional development for the Directors to participate in order to develop and refresh their knowledge and skills.

During the Year, the Company had provided all the Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct ("the Securities Code") regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

A copy of the Securities Code has been sent to each Director of the Company first on his/her appointment and thereafter twice annually, 30 days and 60 days before the date of the Board meetings to approve the Company's interim result and annual result respectively, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, the Directors are required to notify Mr. Hong Tianzhu or Mr. Zhu Yongxiang or a Director (other than himself/herself) designated by the Board for the specific purpose (the "Designated Director") and receive a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

During the Year, the Company, having made specific enquiry on all the Directors, confirms that all the Directors have complied with the required standard set out in the Securities Code and the Model Code.

### 董事會 (續)

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

### 董事之持續專業發展

為確保董事在具備全面資訊及切合所需之情況下對董事會作出貢獻，符合企業管治守則第A.6.5條，本集團為董事安排及出資支持適合之持續專業發展項目，供學習及更新知識及技能。

年內，本公司向全體董事提供有關本公司表現之定期更新，亦不時向全體董事提供有關上市規則以及其他相關法律及監管規定之最新修訂及發展的最新資料。

### 董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則(「《證券守則》」)，條款不遜於上市規則附錄十上市發行人董事進行證券交易的標準守則(「《標準守則》」)所載之要求標準。

《證券守則》之副本已於本公司每名董事首次獲委任時，及其後每年兩次(分別於批准本公司中期業績及全年業績而召開之董事會會議日期前30天及60天送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據《證券守則》進行。

根據《證券守則》，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事(「指定董事」)(除該董事本身外)，並接獲該指定董事發出具有日期之書面確認。

年內，本公司經向全體董事作出特定查詢後，確認所有董事已一直遵守《證券守則》及《標準守則》所載之標準。



## ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Hong Tianzhu is the chairman of the Company. Mr. Zhu Yongxiang is the vice chairman and chief executive officer of the Company.

## TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Ting Leung Huel Stephen, Professor Cheng Longdi, Professor Tao Xiaoming has been appointed as an independent non-executive Director for an initial term of one year commencing from their respective date of appointment as an INED renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD300,000 to Mr. Ting Leung Huel Stephen, HKD150,000 to Professor Cheng Longdi, and HKD180,000 to Professor Tao Xiaoming for the year ended 31 December 2020. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

## BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee") and a nomination committee (the "Nomination Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 29 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

## 主席及行政總裁之角色

守則A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

洪天祝先生為本公司的主席。朱永祥先生為本公司的副主席兼行政總裁。

## 獨立非執行董事之委任任期

丁良輝先生、程隆棣教授及陶肖明教授已獲委任為獨立非執行董事，首任年期為一年，由彼等各自獲委任為獨立非執行董事之日期開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已就截至二零二零年十二月三十一日止年度分別向丁良輝先生、程隆棣教授及陶肖明教授支付年度董事袍金300,000港元、150,000港元及180,000港元。除上述董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

## 董事委員會

董事會已成立薪酬委員會（「薪酬委員會」）、審核委員會（「審核委員會」）及提名委員會（「提名委員會」），並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議（倘適合）向董事會匯報。董事會會議之程序及安排（於上文第29頁「董事會」一節提述）已按可行情況在每次委員會會議上採納。

## BOARD COMMITTEES (Continued)

### Remuneration Committee

The Company has established the Remuneration Committee since November 2004, which currently comprises three independent non-executive Directors of the Company, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi and the chairman and an executive Director of the Company, namely Mr. Hong Tianzhu. The chairman of the Remuneration Committee is Mr. Ting Leung Huel, Stephen. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive Directors and senior management, this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

## 董事委員會 (續)

### 薪酬委員會

本公司自二零零四年十一月起已成立薪酬委員會，現時該委員會由本公司三名獨立非執行董事組成，包括丁良輝先生、陶肖明教授及程隆棣教授及本公司主席兼執行董事洪天祝先生。薪酬委員會主席為丁良輝先生。薪酬委員會已採納符合企業管治守則守則條文的職權範圍。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (a) 就本公司全體董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 就個別執行董事及高級管理人員的薪酬待遇向董事會提供推薦建議。此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；
- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職位或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及
- (h) 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬。

**BOARD COMMITTEES** (Continued)

**Remuneration Committee** (Continued)

The Remuneration Committee shall meet at least once a year. One committee meeting was held during the Year to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	1/1
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棟	1/1

In addition to the Committee meetings, the Remuneration Committee also dealt with matters by way of circulation during the Year. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme (the "Share Option Scheme") in April 2014 for a term of ten years. Details of the share option scheme are set out in the Directors' Report on pages 60 to 62 and note 17 to the financial statements.

**Audit Committee**

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Audit Committee is Mr. Ting Leung Huel, Stephen. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

**董事委員會** (續)

**薪酬委員會** (續)

薪酬委員會每年須至少召開一次會議。年內已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

除委員會會議外，薪酬委員會亦於年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零一四年四月採納一項購股權計劃（「購股權計劃」）以吸引、延攬及推動本集團高級行政人員及主要僱員（包括執行董事），為期十年。購股權計劃詳情載於董事會報告第60至62頁及財務報表附註17。

**審核委員會**

審核委員會自二零零四年十一月成立，現有成員為丁良輝先生、陶肖明教授及程隆棟教授。審核委員會主席為丁良輝先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合企業管治守則守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

**BOARD COMMITTEES** (Continued)

**Audit Committee** (Continued)

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial controls, risk management and internal control systems;
- (g) to discuss with the management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems;
- (h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices; and
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

**董事委員會** (續)

**審核委員會** (續)

審核委員會之主要角色及職能：

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該核數師辭任或辭退該核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及本公司年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)呈交董事會之前先行審核；
- (e) 商議就中期審核及年終審核而產生之任何問題及保留事項，及核數師擬商討之任何事宜；
- (f) 檢討本公司之財務監控、風險管理及內部監控系統；
- (g) 與管理層討論風險管理及內部監控系統及確保管理層已盡其職責以達至有效之系統；
- (h) 考慮董事會授予或自發進行之風險管理內部監控事項之主要調查之任何結果以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；及
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。

## BOARD COMMITTEES (Continued)

### Audit Committee (Continued)

The Audit Committee shall meet at least twice a year. Two committee meetings were held during the Year and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2

During the meetings held in the Year, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2019 (the "2019 Final Audit");
- (ii) reviewed the external auditor's report of findings in relation to the 2019 Final Audit;
- (iii) reviewed the financial reports for the year ended 31 December 2019 and for the six months ended 30 June 2020; and
- (iv) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

### Nomination Committee

On 19 March 2012, the Board has approved the establishment of the Nomination Committee which became effective on 1 April 2012. The current members of Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

## 董事委員會(續)

### 審核委員會(續)

審核委員會每年須至少召開兩次會議。年內已舉行兩次委員會會議，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2

年內舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零一九年十二月三十一日止年度之年終審核(「二零一九年年終審核」)之核數範圍及費用；
- (ii) 檢討外聘核數師之二零一九年年終審核結果之報告；
- (iii) 檢討截至二零一九年十二月三十一日止年度及截至二零二零年六月三十日止六個月之財務報告；及
- (iv) 檢討本集團內部監控制度，包括本集團的財務、營運及合規控制情況及風險管理功能的有效性。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

### 提名委員會

於二零一二年三月十九日，董事會批准成立提名委員會，於二零一二年四月一日生效。提名委員會現任成員包括執行董事兼本公司主席洪天祝先生，及三名獨立非執行董事，即陶肖明教授、程隆棣教授及丁良輝先生。提名委員會主席為洪天祝先生。提名委員會已採納與企業管治守則的守則條文一致的職權範圍。提名委員會獲提供足夠資源履行職務，並已考慮在適當情況下，根據本公司政策尋求獨立專業意見。



**BOARD COMMITTEES** (Continued)

**Nomination Committee** (Continued)

The major roles and functions of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;
- (d) to make recommendations to the Board on:
  - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive Directors;
  - (iii) the composition of the Audit Committee, Remuneration Committee and other board committees of the Company;
  - (iv) proposed changes to the structure, size and composition of the Board;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
  - (ix) the appointment or re-appointment of Directors;
  - (x) succession planning for Directors in particular the chairman and the chief executive; and
  - (xi) the policy concerning diversity of Board members;

**董事委員會** (續)

**提名委員會** (續)

提名委員會的主要職位及功能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並為配合本公司的企業策略而擬對董事會作出調整向董事會提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評估獨立非執行董事的獨立性；
- (d) 向董事會就下列事宜作出推薦建議：
  - (i) 作為董事會成員所應有的角色、責任、能力、技能、知識及經驗；
  - (ii) 委聘非執行董事條件的政策；
  - (iii) 本公司審核委員會、薪酬委員會及其他董事委員會的組成；
  - (iv) 董事會的架構、人數及組成擬作出的變動；
  - (v) 具備合適資格擔任董事的候選人；
  - (vi) 挑選被提名人士出任董事；
  - (vii) 由本公司股東重新委任輪流退任董事，於此，須考慮其工作表現及對董事會繼續作出貢獻的能力；
  - (viii) 在任多於九年的獨立非執行董事的去留問題，並就是否贊成批准該等獨立非執行董事連任的決議案向本公司股東提供建議；
  - (ix) 委任或重新委任董事；
  - (x) 董事接替計劃(尤其是主席及行政總裁)；及
  - (xi) 有關董事會成員多元化的政策；

**BOARD COMMITTEES** (Continued)

**Nomination Committee** (Continued)

- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
- (i) succession planning of Directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board;
  - (v) the Board's policy concerning diversity of Board members adopted from time to time; and
  - (vi) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;
- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure upon the appointment to the Board, non- executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to consider other matters, as defined or assigned by the Board from time to time.

**董事委員會** (續)

**提名委員會** (續)

- (e) 在履行上述責任或本職權範圍項下的其他責任，對下列各項給予充分考慮：
- (i) 董事繼任計劃；
  - (ii) 本集團為保持或加強本集團的競爭優勢所需要的領導才能；
  - (iii) 市場環境的轉變及本集團營運市場的商業需要；
  - (iv) 董事會成員所須具備的技能及專才；
  - (v) 董事會不時採納有關董事會成員多元化的政策；及
  - (vi) 上市規則對上市發行人的董事的相關要求；
- (f) 檢討及就所有按上市規則第13.68條須事先取得本公司股東於股東大會上批准的現董事或建議委任董事與本集團任何成員的擬定服務合同，就該議定服務合同條款的公平及合理性、服務合同對本公司及股東而言是否整體有利及本公司股東應怎樣作出表決，向本公司股東（而身為董事並在該等服務合同中有重大利益的股東和彼等各自聯繫人除外）提呈建議；
- (g) 確保非執行董事獲邀加入董事會時收到正式的聘書，其中列明公司期望非執行董事投入的時間、應盡的服務和在董事會會議以外的參與；
- (h) 會見辭去董事職責的董事並了解其離職原因；及
- (i) 考慮董事會不時確定或委派的其他事項。

## DIRECTOR NOMINATION POLICY

The director nomination policy (the "Director Nomination Policy") of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the "Board") of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

### Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

## 董事提名政策

本公司董事提名政策(「董事提名政策」)旨在載列本公司提名及委任董事的準則及程序;確保本公司的董事會(「董事會」)成員具備切合本公司業務所需的技能、經驗及多元觀點;及確保董事會的持續性及維持其領導角色。

### 董事提名及委任標準

甄選董事候選人的標準如下:

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷及提供建設性建議;
- 於發生潛在利益衝突時發揮領導作用;
- 服務於審核委員會、薪酬委員會及提名委員會(如為非執行董事候選人)以及其他相關董事委員會(如獲邀請);
- 對董事會及/或所服務的任何委員會投入充足時間,從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點;
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況;
- 確保所服務的提名委員會履行董事會授予的權力及職能;及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例(如適用)。

### DIRECTOR NOMINATION POLICY (Continued)

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

#### Nomination process

##### (a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

### 董事提名政策(續)

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

#### 提名程序

##### (a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及各候選人的證明審查(如適用)排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見(如適用)。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

## DIRECTOR NOMINATION POLICY (Continued)

### Nomination process (Continued)

#### (b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

#### (c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and the Director Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

## 董事提名政策(續)

### 提名程序(續)

#### (b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

#### (c) 於股東大會上重選獨立非執行董事

倘董事會提呈一項決議案於股東大會上選任某人士為獨立非執行董事，則須於相關股東大會通告隨附的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家(或以上)上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化(包括性別多元化)。

提名委員會將會定期為董事會的架構、規模及組成及董事提名政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。



### DIRECTOR NOMINATION POLICY (Continued)

On 5 August 2013, the Board adopted a board diversity policy (the "Board Diversity Policy") which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the Board Diversity Policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved, 7 out of 8 members of the Board have overseas working experience and 2 out of 8 members of the Board have accounting or other professional qualifications.

The Nomination Committee shall meet at least once a year. One committee meeting was held during the Year to review the structure and composition of the Board and the re-election of the retiring Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Hong Tianzhu	洪天祝	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棣	1/1
Ting Leung Huel, Stephen	丁良輝	1/1

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

### 董事提名政策(續)

董事會於二零一三年八月五日採納董事會成員多元化政策(「董事會多元化政策」)，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外(中國境外)工作經驗者；
- 應確保不限性別地選任董事；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成，8名董事會成員中有7名具備海外工作經驗及8名董事會成員中有2名具備會計或其他專業資格。

提名委員會每年須至少召開一次會議。年內已舉行一次委員會會議，以檢討董事會的架構及組織，以及重選退任董事，而各成員之出席情況如下：

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會會根據提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)向董事會物色及建議人選以予批准委任。

### DIRECTOR NOMINATION POLICY *(Continued)*

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

### CORPORATE GOVERNANCE PRACTICES

The Company has not set up any corporate governance committee. Since April 2012, the Board has adopted written terms of reference in compliance with the code provisions of the CG Code.

The Board is mainly responsible for keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Board shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

During the Year, the Board regularly reviews and monitors the training and continuous professional development of the Directors, and the Company's policies and practices on compliance with legal and regulatory requirements.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the Year, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditor, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 127 to 133.

#### Risk Management and Internal Control

##### Framework

The risk management and internal controls system will assist the Group to fully achieve its strategic objective by identifying and assessing all the risk exposure of the Group and setting down corresponding control measures, with a view to attain the long-term vision of the Group. We believe that effective risk management and internal controls system will enhance shareholders' value in the long term. The risk faced by the Group directly relates to its control measures and mitigation plan.

### 董事提名政策 *(續)*

新董事在獲委任後將會取得一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

### 企業管治常規

本公司並無設立任何企業管治委員會。由二零一二年四月起，董事會採納符合企業管治守則內各項守則條文的書面職權範圍。

董事會主要負責維持本集團的企業管治及內部非財務監控系統的有效性。董事會將就企業管治引用及建議相關守則，並審閱及釐定企業管治政策，以提高及確保本集團的高標準企業管治常規。

年內，董事會定期檢討並審視董事的培訓及持續專業發展，以及本公司遵行法定及監管要求的政策及常規。

### 問責及核數

#### 財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。年內之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於第127至133頁之核數師報告。

#### 風險管理及內部監控

##### 框架

風險管理及內部監控系統藉著識別和評估本集團所面臨的各項風險，並制定相關的監控措施，協助本集團全面實現戰略目標，進而達成本集團的長期願景。我們相信有效的風險管理及內部監控系統能提升長遠的股東價值。本集團所面對的風險與其監控措施及對策有直接關聯。

**ACCOUNTABILITY AND AUDIT** (Continued)

**Risk Management and Internal Control** (Continued)

**Framework** (Continued)

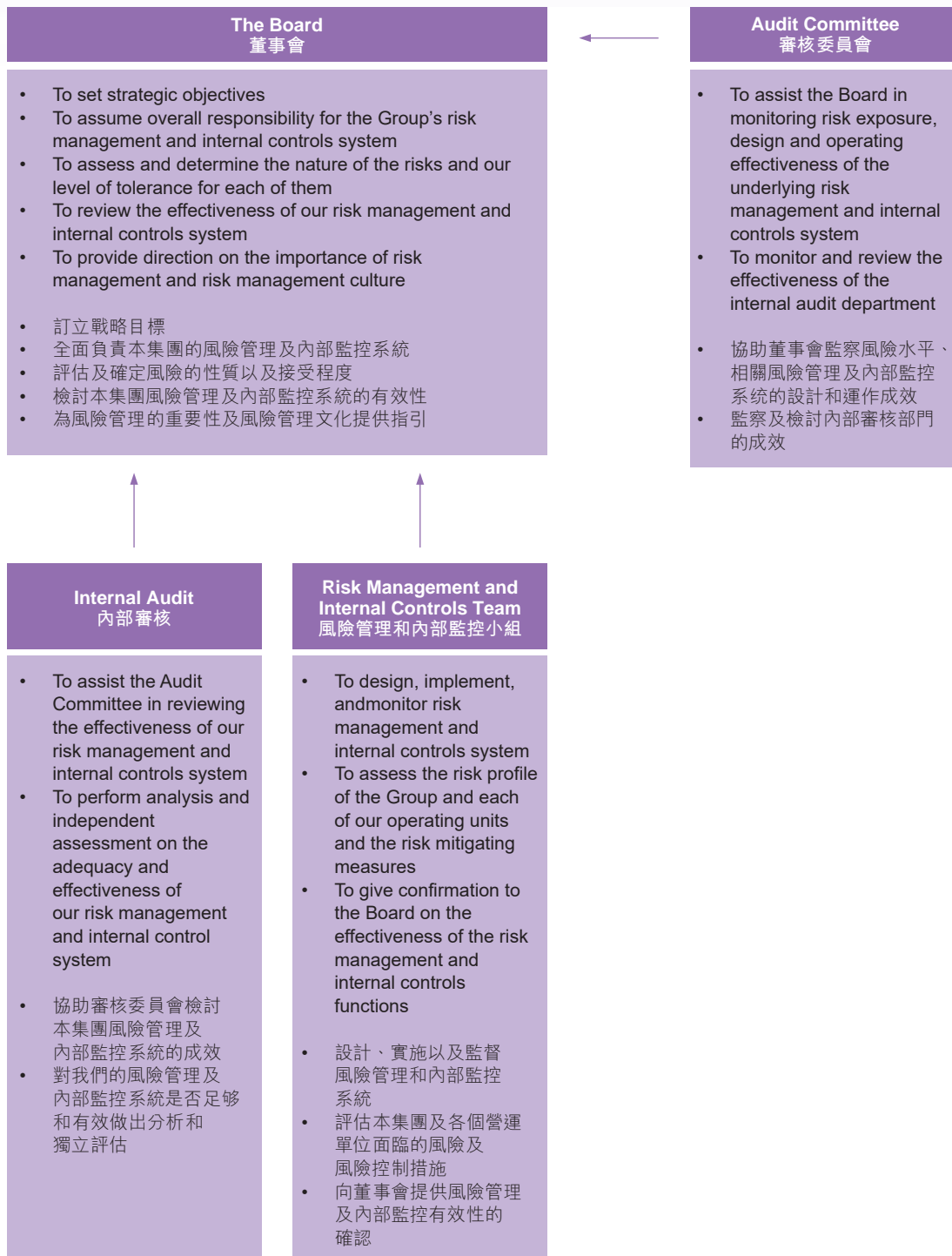
Accordingly, the risk management and internal controls framework of our Group is as follows:

**問責及核數** (續)

**風險管理及內部監控** (續)

**框架** (續)

由此，本集團的風險管理及內部監控框架如下：



## ACCOUNTABILITY AND AUDIT (Continued)

### Risk Management and Internal Control (Continued)

#### Framework (Continued)

The operating model of the Group's risk management and internal control framework conforms to the internal controls framework of COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in the following five aspects:

- **Control Environment**

The Group has established a clear organization structure and delegated powers necessary to perform different business functions to management at different levels but it is subject to the limit set by the Board. The Board meets regularly to discuss and approve the business strategies and working plans set by each operating units. The Group will report our financial performance to the Board on monthly basis.

Our governance rules and requirements are very transparent to employees. We hope to build up risk awareness and internal controls responsibility in our corporate culture by creating an internal organizational environment driven by the management operating philosophy, risk awareness, integrity and ethical values.

- **Risk Assessment**

The Group identifies, assesses and grades the risks that are most relevant to the success of the Group based on the possibility of occurrence and the impact on the financial result of the risk). Risk management and internal controls team is responsible for setting the appropriate tone from the top, performing risk assessment, as well as taking care of the design, implementation and maintenance of internal controls. Meanwhile, it requires department heads from each of the operating units to identify operating risks from the bottom in order to determine the major risks and the risk levels of the Group.

- **Control Activities**

The Group has policy and procedure in place for all business functions, including authorization, approval and audit, recommendation, performance review, asset protection and division of duty, to ensure effective execution of organization objectives and mitigation of risk activities.

- **Information and Communication**

The risk management and internal controls team performs risk assessment and prepare the Annual Report of Risk Management on a semi-annual basis, which sets out the identified risks and related control procedures. The report will be submitted to the Board and reviewed by the Audit Committee annually.

## 問責及核數(續)

### 風險管理及內部監控(續)

#### 框架(續)

本集團風險管理及內部監控框架運作方式與COSO委員會(the Committee of Sponsoring Organizations of the Treadway Commission)內部監控框架一致，包括下列五方面內容：

- **監控環境**

本集團已建立清晰的組織架構，授予各級管理層經營不同業務職能所需的權力，惟其權力範圍受到董事會設定的限制。董事會定期開會討論及通過各營運單位所制定的業務策略及工作計劃。本集團的財務表現亦會每月向董事會報告。

公司管治守則及制度規定對僱員均非常透明，我們希望在企業文化中建立風險意識及內部監控責任感，營造以管理運作理念、風險意識、誠信及道德價值驅動的內部組織環境。

- **風險評估**

本集團識別、評估、並就與本集團成功與否最為有關的風險進行評級(根據該等風險發生的可能性及其對財務結果的影響)。風險管理及內部監控小組負責「自上而下」為監控定調、風險評估及設計、執行、維護內部控制，同時「自下而上」要求各營運單位主管參與識別營運風險，從而釐定本集團的主要風險及風險等級。

- **監控活動**

本集團為各業務功能設定政策及程序，包括授權、批准及審核、建議、表現檢討、資產保障及職責分工，確保有效執行組織目標及減低風險活動。

- **資訊及溝通**

風險管理及內部監控小組每半年進行一次風險評估工作，編制《風險管理年度報告》，載明所識別的風險及其相關監控程序，報告將提交董事會，並由審核委員會每年審閱。



### ACCOUNTABILITY AND AUDIT (Continued)

#### Risk Management and Internal Control (Continued)

##### Framework (Continued)

##### • Monitoring

The Group self-assesses its controls and risks by internal review and circulating major control procedures to its employees to maintain continuous monitoring of the internal control procedures. Rectification will be made according to findings of the control procedures in order to improve internal monitoring.

#### Risk Management and Internal Controls Team

##### Composition

A risk management and internal controls team has been set up by the Group in 2016, which comprises Mr. Tang Daoping (executive Director and chief operation officer), Mr. Hui Tsz Wai (executive Director) and Mr. Ji Zhongliang (executive Director), and members including general manager and department head from each of our operating units, and general managers and department head of finance and human resources department of our subsidiaries. Mr. Hong Tianzhu, an executive Director and chairman of the Group and Mr. Zhu Yongxiang, an executive Director and vice chairman and chief executive officer of the Group act as advisors of the working team.

##### Major Tasks

Set out below are the major responsibilities of our risk management and internal control team:

- The team shall formulate proposal and plan for building and promotion of corporate culture in risk awareness and to lead in providing risk management training.
- The team shall prepare and conduct annual and interim reviews on risk profile and formulate mitigating measures.
- The team shall summarize and analyze the findings of the review exercise, to advise any modification to the risk management strategy, to lead and assist relevant departments in formulating counter measures in addressing any material risks.
- It shall conduct annual internal evaluation on its own risk management function, to lead and mobilize the establishment and modification of risk management and internal controls system, to give guidance to subsidiaries on initiation of setting up of risk management system.
- It shall prepare the annual report on Risk Management and submit the same to our Audit Committee for review and approval.
- It shall be responsible to formulate or modify the relevant risk management and internal controls system and to oversee its implementation, to give guidance and assist the subsidiaries on setting up and optimizing their risk management practical measures.

### 問責及核數(續)

#### 風險管理及內部監控(續)

##### 框架(續)

##### • 監察工作

本集團實行自我評估監控及風險，透過內部評審及向僱員傳達關鍵的監控程序，以持續監控內部控制流程。因應監控過程的結果作出修正，以改善內部監控活動。

#### 風險管理和內部監控小組

##### 成員構成

本集團自二零一六年起成立風險管理和內部監控小組，小組包括執行董事兼營運總裁湯道平先生、執行董事許子慧先生和執行董事吉忠良先生，小組成員包括各營運單位總經理及主要負責人、各附屬公司總經理以及財務和人事部門主要負責人。本集團執行董事兼主席洪天祝先生和執行董事兼副主席及行政總裁朱永祥先生出任工作小組顧問。

##### 主要工作內容

下文列載風險管理及內部監控團隊之主要職責：

- 制定公司風險文化培育與宣貫工作方案和計劃，組織風險管理培訓。
- 組織開展年度或階段性風險評估及應對工作。
- 對評估結果匯總分析，提出風險管理策略調整建議，組織並協助相關部門制定重大風險應對方案。
- 對年度風險管理工作情況進行自評估，組織推動風險管理及內部監控體系的建設和改進提升，指導附屬公司開展風險管理體系建設。
- 編制《風險管理年度報告》，並提交本集團審核委員會審核。
- 負責擬定或修訂風險管理及內部監控相關制度並監督落實，指導和協助附屬公司制定完善具體風險的管理辦法。



## ACCOUNTABILITY AND AUDIT (Continued)

### Risk Management and Internal Control (Continued)

#### Risk Management and Internal Controls Team (Continued)

##### Major Tasks (Continued)

- It shall be responsible for the organization, compiling of minutes and oversight of implementation of relevant resolutions concerning the risk management function in the meetings of the Audit Committee and Board meetings.
- It shall strictly comply its plan to counter risks by implementing the measures stipulated therein and to monitor the work rate and efficiency of such implementation on an ongoing basis, and advise on remedy in a timely manner.
- It shall monitor the status and development of any risk events and formulate and devise contingency plan in a timely manner, to forthwith report or inform the Audit Committee on such matters.

##### Work Accomplished in 2020

Our risk management and internal controls team held two meetings in 2020, and reported twice to the Audit Committee and the Board on the annual risk assessment and findings of internal controls review. The team accomplished the following work in 2020:

1. issued relevant documents on risk assessment and internal controls within the Group to enhance its risk management culture;
2. performed a general review on the major risk exposure of the Group, especially in areas relating to raw material purchase, foreign exchange and exchange rate, credit management and taxation;
3. discussed the possible risk and impact on operating result with department heads from each of our operating units;
4. reviewed and improved corresponding internal controls measure;
5. prepared and submitted the annual report on risk assessment and internal controls to the Audit Committee and the Board.

Details of the major risks of the Group are set out in the "Management Discussion and Analysis" section on pages 20 to 28.

##### Review of Internal Controls Effectiveness

For the Year, our Board had reviewed the representations made by the management in respect of risk management and internal controls, and considered that our Group's risk management and internal controls system effective and adequate. No significant areas of weaknesses and deficiency that might have affected the financial, operational, compliance controls and risk management functions of the Group were identified. The Board is of the view that the resources, qualification and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training and budget are adequate.

## 問責及核數(續)

### 風險管理及內部監控(續)

#### 風險管理和內部監控小組(續)

##### 主要工作內容(續)

- 負責審核委員會會議及董事會會議有關風險管理部分的組織、會議紀要的整理和決議事項的督促落實。
- 嚴格根據風險應對計劃，實施應對措施，並持續監控應對計劃的執行效率和效果，及時提請修正。
- 監控風險事件的變化狀態，適時制定和啟動應急預案，並及時向審核委員會通報或備案。

##### 二零二零年已完成工作

風險管理和內部監控小組於二零二零年舉行了兩次會議，並就年度風險評估及內部監控檢討結果向審核委員會和董事會匯報兩次。該小組於二零二零年已完成工作包括：

1. 本集團內部下刊發風險評估及內部監控相關文件，增強了本集團的風險管理文化；
2. 全面審視本集團面對的重大風險，尤其是有關原料採購、外匯及匯率、信用管理及稅務方面所涉及的風險；
3. 與各營運單位主管討論風險發生的可能性及對經營結果的影響；
4. 檢討及完善相應的內部監控措施；
5. 編制風險評估及內部監控年度報告，提報審核委員會及董事會。

有關本集團主要風險的詳情載列於第20至28頁之「管理層討論及分析」一節內。

##### 檢討內部監控成效

年內，董事會已檢討管理層關於風險管理及內部監控有效性的聲明，認為本集團風險管理及內部監控系統有效及足夠，未發現任何可能影響集團財務監控、運作監控、合規監控以及風險管理職能的重要風險監控缺失事項。董事會認為本集團會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓及預算是足夠的。

## ACCOUNTABILITY AND AUDIT (Continued)

### Risk Management and Internal Control (Continued)

#### Review of Internal Controls Effectiveness (Continued)

The risk management and internal controls system is designed to manage rather than eliminate the risk of failure to achieve our business objectives. Like all other systems, it could not entirely eliminate the impact of all unforeseeable risks and events beyond our control that might emerge and occur during the course of our operation. Consequently, the Board may only provide reasonable, but not absolute, assurance that there was no significant misrepresentation or deficiency as to the completeness and effectiveness of our Group's risk management and internal controls.

#### Disclosure of Inside Information

Regarding procedures and measures of internal controls for the handling and dissemination of inside information, the Group:

1. is aware of its obligation under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be announced on a timely manner;
2. conducts its affairs in strict compliance with the applicable laws and regulations prevailing in Hong Kong;
3. has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, announcements and its website;
4. has included in the Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information;
5. has communicated to all relevant staff regarding the implementation of the Continuous Disclosures Policy and relevant trainings are also provided.

## 問責及核數(續)

### 風險管理及內部監控(續)

#### 檢討內部監控成效(續)

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。與所有其他系統一樣，該系統並不能完全排除經營過程中遇到的不可預測風險及不可控事件等因素的影響。因此，董事會只能對本集團風險管理及內部監控的完整及有效性不會有重大的失實陳述或損失作出合理而非絕對的保證。

#### 內幕消息的披露

有關處理及發佈內幕消息的程序及內部監控措施，本集團：

1. 知悉根據證券及期貨條例、上市規則以及首要原則，其有責任及時公佈內幕消息；
2. 嚴格遵照香港現行適用法律及法規執行本公司事務；
3. 透過財務報告、公佈及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
4. 已將嚴格禁止非授權使用保密及內幕消息的規定納入其行為操守守則；
5. 已向所有相關人員傳達有關實施持續披露政策的執行情況並提供相關培訓。

**ACCOUNTABILITY AND AUDIT** (Continued)

**External Auditor's Remuneration**

During the Year, the remuneration paid and payable to the Company's external auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

**問責及核數** (續)

**外聘核數師之酬金**

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

<b>Services rendered to the Group</b>	<b>向本集團提供之服務</b>	<b>Paid/Payable</b> 已付／應付費用 RMB'000 人民幣千元
Annual audit service	年度審核服務	3,725
Non-audit services (including consulting service for transfer pricing and environmental, social and governance report, agreed-upon procedures for selected financial information of the Group, and preliminary announcement of results)	非審核服務(包括轉移定價和環境、社會及管治報告的顧問服務及本集團特選財務資料及初步業績公佈的協定程序)	893
<b>Total:</b>	<b>合計：</b>	<b>4,618</b>

**COMMUNICATION WITH SHAREHOLDERS**

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The chairman actively participated in the AGM held during the year and personally chaired the meeting to answer any questions from the shareholders. A separate resolution had been proposed by the chairman in respect of each issue to be considered at the AGM. An AGM circular and AGM notice had been distributed to all shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules, setting out details of each proposed resolution, voting procedures and other relevant information. The chairman explained the procedures for conducting a poll at the beginning of the AGM, and answered any questions from shareholders regarding voting by way of poll.

**與股東之溝通**

董事會了解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期報告及年報、公佈及通函。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席於年內舉行之股東週年大會上積極回應任何股東之查詢。主席已就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函及通告已根據本公司組織章程細則及上市規則之規定發送予全體股東，該通函及通告載列每項擬提呈決議案之詳情、投票程序及其他相關資料。主席於股東週年大會開始時，已解釋以投票方式進行表決之程序，已回答股東就按股數投票之任何提問。

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders (the "Shareholders", each a "Shareholder") of the Company to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

1. One or more Shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.
2. Such Requisition shall be made in writing to the Board or the company secretary of the Company via email at the email address of the Company at main@texhong.com.
3. The EGM shall be held within two months after the deposit of such Requisition.
4. If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

#### Procedures for raising enquiries

1. Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are set out in the section headed "Corporate Information" of this annual report.
2. Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at main@texhong.com.
3. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### 股東權利

#### 股東召開股東特別大會之程序

下列本公司股東(「股東」, 各為一名「股東」)召開股東特別大會(「股東特別大會」)之程序, 乃根據本公司組織章程細節第64條所編製:

1. 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東(「呈請人」)通過書面通知有權要求董事會召開股東特別大會(「呈請」), 以處理有關要求中指明的任何事項。
2. 有關呈請須以書面形式並透過發送電郵至本公司電郵地址 main@texhong.com 向本公司董事會或公司秘書提出。
3. 股東特別大會將於遞呈呈請後兩個月內召開。
4. 倘董事未能在呈請遞交後21天內召開股東特別大會, 則呈請人以同樣方式可自行召開股東特別大會, 而因董事未能召開該大會令呈請人產生的所有合理費用, 本公司須向呈請人進行償付。

#### 提出查詢的程序

1. 股東如對名下股權、股份轉讓、登記及派付股息有任何疑問, 應向本公司香港股份過戶登記分處提出, 其詳情載於本年報「公司資料」一節內。
2. 股東可隨時透過發送電郵本公司電郵地址 main@texhong.com 提出任何有關本公司的查詢。
3. 倘股東提出問題時, 務請留下彼等詳細聯絡資料以便本公司適時迅速回應。

## SHAREHOLDERS' RIGHTS (Continued)

### Procedures and contact details for putting forward proposals at shareholders' meetings

1. To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at main@texhong.com.
2. The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will include the Proposal in the agenda for the general meeting.
3. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:
  - (i) Notice of not less than 21 days in writing if the Proposal requires approval by way of an ordinary resolution in an annual general meeting or a special resolution of the Company;
  - (ii) Notice of not less than 14 days in writing if the Proposal requires approval in meeting other than an annual general meeting or approval by way of a special resolution of the Company.

## CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and development. Any views and suggestions from our Shareholders are also welcome to enhance our transparency.

On behalf of the Board

**Hong Tianzhu**  
Chairman

Hong Kong, 12 March 2021

## 股東權利(續)

### 於股東大會提呈建議的程序及詳細聯絡資料

1. 為於本公司股東大會上提呈建議，股東須以書面提交該建議(「建議」)，連同詳細聯絡資料，透過電郵傳送至本公司電郵地址 main@texhong.com。
2. 本公司會向本公司之香港股份過戶登記分處核實股東身份及其要求，於獲得股份過戶登記分處確認股東作出的要求為恰當及適當後，董事會將在股東大會的議程內加入建議。
3. 就上述股東提出於股東大會考慮之建議而向全體股東發出通告之通知期因應建議之性質有所不同，詳情如下：
  - (i) 倘建議須於本公司股東週年大會上以普通決議案方式獲得批准或以特別決議案方式獲得批准，則須不少於21日之書面通知；
  - (ii) 倘建議須於本公司大會而非於股東週年大會上獲得批准，或以本公司特別決議案方式獲得批准，則須不少於14日之書面通知。

## 提升企業管治水平

提升企業管治水平並非只為應用及遵守企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

代表董事會

**洪天祝**  
主席

香港，二零二一年三月十二日



# 董事及高級管理層

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### Executive Directors

**Mr. Hong Tianzhu**, aged 53, is an executive Director and chairman of the Group. He is the founder of the Group. He is responsible for the strategic development and strategic deployment, project investment and decision-making for major issues, leadership and policy decision-making for establishment of corporate culture of the Group. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong's interest in the shares of HK\$0.10 each in the share capital of the Company ("Shares") is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Zhu Yongxiang**, aged 54, is an executive Director, vice Chairman and chief executive officer of the Group. He is responsible for the strategy implementation, operational planning and decision-making, decision-making for major issues and organizational implementation of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Tang Daoping**, aged 55, is an executive Director and chief operation officer of the Group. He is responsible for the operation management of the Group. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting and administrative management. Mr. Tang has over 30 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Jiangsu Century Texhong in September 2002. Mr. Tang's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

### 董事

#### 執行董事

**洪天祝先生**，53歲，本集團的執行董事及主席。洪先生是本集團創始人，負責本集團的戰略發展和戰略布局、項目投資和重要工作決策、企業文化建設的引領和決策。彼於紡織業擁有逾二十年經驗，在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生於本公司股本中每股面值0.10港元之股份（「股份」）之權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**朱永祥先生**，54歲，本集團的執行董事、副主席兼行政總裁。彼負責本集團的戰略實施、營運策劃布局 and 決策、重要工作決策與組織實施。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**湯道平先生**，55歲，本集團執行董事兼營運總裁。彼負責本集團的營運管理。湯先生於一九九六年畢業於徐州廣播電視大學，主修會計及行政管理，並於紡織業擁有逾三十年經驗。彼曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為江蘇世紀天虹的董事。湯先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Executive Directors (Continued)

**Mr. Hui Tsz Wai**, aged 47, is an executive Director and company secretary. He is responsible for the management of finance, information system and treasury management of the Group. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst and a Certified Fraud Examiner. He has more than 20 years working experience in finance related area. Prior to first joining the Group in November 2004, Mr. Hui had been working at one of the big four international accounting firms for about nine years. Mr. Hui had been the chief financial officer of the Group. Mr. Hui's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

**Mr. Ji Zhongliang**, aged 57, is an executive Director. He is responsible for the operations management of the Group's garment fabric and garment business segment. Mr. Ji graduated from Jiangsu College of Engineering and Technology of the PRC (江蘇工程職業技術學院) (formerly known as Nantong Textile Industry School (南通紡織工業學校)) in July 1982. Prior to joining the Group in August 2015, he had been the vice president of Black Peony (Group) Co. Ltd. (黑牡丹(集團)股份有限公司) (stock code: 600510), the shares of which are listed on the Shanghai Stock Exchange from December 2011 to May 2015. He had been the general manager of Changzhou K&J Import and Export Co., Ltd. (常州凱杰進出口有限公司), which is principally engaged in import and export of cotton and fabrics in the PRC from October 1997 to May 2011, the general manager of Black Peony Group Import and Export Co., Ltd. (黑牡丹集團進出口有限公司), which is principally engaged in import and export of textile, garments and daily necessities in the PRC from May 2011 to December 2011, and the chairman of the board of directors of Black Peony (HK) Limited, which is principally engaged in manufacture of denim in the PRC from December 2011 to May 2015. Mr. Ji has more than 30 years' working experience in the textile industry. Mr. Ji is a director of Texhong Dyeing and Printing Technology Limited, a indirect non-wholly owned subsidiary of the Company.

### 董事(續)

#### 執行董事(續)

**許子慧先生**，47歲，執行董事及公司秘書。彼負責本集團財務、信息系統、資金的管理。許先生畢業於香港中文大學，獲頒工商管理(榮譽)學士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會計師。彼亦為特許財務分析員兼舞弊查核師。彼於財務相關領域擁有逾二十年工作經驗。許先生於二零零四年十一月首次加盟本集團前，一直於其中一家四大國際會計師行任職約九年。許先生曾任本集團財務總監。許先生於本公司的股份權益在本年報「董事會報告—董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

**吉忠良先生**，57歲，執行董事。彼負責本集團的面料及服裝事業部的營運管理。吉先生於一九八二年七月畢業於中國江蘇工程職業技術學院(前稱南通紡織工業學校)。於二零一五年八月加入本集團前，彼自二零一一年十二月至二零一五年五月擔任上海證券交易所上市公司黑牡丹(集團)股份有限公司(股份代號：600510)之副總裁。彼亦自一九九七年十月至二零一一年五月擔任常州凱杰進出口有限公司(該公司主要在中國從事棉及布料進出口業務)之總經理；自二零一一年五月至二零一一年十二月擔任黑牡丹集團進出口有限公司(該公司主要在中國從事紡織品、成衣及日用品進出口業務)之總經理；及自二零一一年十二月至二零一五年五月擔任黑牡丹(香港)有限公司(該公司主要在中國生產牛仔布)之董事會主席。吉先生在紡織業累積逾30年工作經驗。吉先生為本公司間接非全資附屬公司天虹染整科技有限公司之董事。

## 董事及高級管理層

### DIRECTORS AND SENIOR MANAGEMENT

#### DIRECTORS (Continued)

##### Independent Non-executive Directors

**Professor Tao Xiaoming**, aged 63, was appointed as an independent non-executive Director on 3 March 2014. Professor Tao is an elected fellow of The Textile Institute, the American Society of Mechanical Engineers, the Royal Academy of Arts and Design and Commerce of the United Kingdom, and has been the chair professor in Textile Technology at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University since April 2002. She was elected as the world president of The Textile Institute for a tenure of three years from May 2007. Professor Tao received a bachelor's degree in textile engineering from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) of the PRC in January 1982 and a doctorate degree in textile physics from University of New South Wales in August 1987. From September 1987 to September 1988 and from October 1990 to September 1994, she had been a scientist of the Commonwealth Scientific and Industrial Research Organisation of Australia. From October 1988 to January 1990, she had been a lecturer of Donghua University. Professor Tao was a recipient of prestigious individual awards of the field: the honorary fellowship of the Textile Institute in 2010, the founder award of the Fiber Society of the United States in 2013, and Guanghua Engineering Scientific and Technological Award of Chinese Academy of Engineering in 2020. With seven academic monographs, over 800 research papers published and over 41 patents granted, she has been internationally recognised in particular for her pioneering work on smart textiles and clothing and textile engineering such as low-twist yarns, solospun yarns and fabric sensing technology which have been widely applied in the textile industry.

**Professor Cheng Longdi**, aged 61, was appointed as an independent non-executive Director on 21 November 2004. Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002. He is currently a professor (2nd grade) in College of Textiles and a deputy director of the Key Laboratory of Textile Science and Technology of Donghua University. Professor Cheng is a member of the expert committee of each of the following institutions: the China Cotton Textile Association of New Technology (as a deputy director), the China Knitting Industrial Association, the China Bast And Leaf Fibers Textile Association and the China Textile Machinery Association. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry). Professor Cheng is currently an independent director of Hengli Petrochemical Co., Ltd. (stock code: 600346) which is a company listed on the Shanghai Stock Exchange.

#### 董事(續)

##### 獨立非執行董事

**陶肖明教授**，63歲，於二零一四年三月三日獲委任為獨立非執行董事。陶教授為國際紡織學會院士、美國機械工程師學會院士以及英國皇家藝術、設計及商業研究院(Royal Academy of Arts and Design and Commerce of the United Kingdom)院士，並由二零零二年四月起，擔任香港理工大學紡織及製衣學系紡織技術講座教授。自二零零七年五月起，陶教授獲選為國際紡織學會世界會長，任期三年。陶教授於一九八二年一月獲中國紡織大學(現稱為東華大學)頒授紡織工程學士學位，並於一九八七年八月獲頒新南威爾士大學紡織物理學博士學位。由一九八七年九月至一九八八年九月，以及由一九九零年十月至一九九四年九月，彼為澳洲聯邦科學及工業研究組織之科研人員。由一九八八年十月至一九九零年一月期間，陶教授為東華大學講師。陶教授曾獲頒授業內多個地位崇高的個人獎項：於二零一零年獲國際紡織學會頒授榮譽院士、二零一三年獲美國纖維學會頒授奠基者獎、及二零二零年獲中國工程院頒授光華工程科技獎。陶教授曾出版七部學術專著，發表超過800篇研究論文，並獲得超過41項專利，成就廣受國際認同，尤其以其於智能紡織品及服裝與纖維工程方面的創舉(例如低捻紗、分束紡紗及織物傳感技術)最為突出，而該等技術已廣泛應用於紡織業內。

**程隆棣教授**，61歲，於二零零四年十一月二十一日獲委任為獨立非執行董事。程教授於二零零二年取得東華大學的紡織工程博士學位，現為東華大學紡織學院二級教授、紡織面料技術教育部重點實驗室常務副主任。程教授為中國棉紡織行業協會新技術專家委員會副主任委員、中國針織行業協會專家委員會委員、中國麻紡織行業協會專家委員會委員、中國紡織機械與器材行業協會專家委員會委員等。程教授曾為中國紡織科學研究院(前稱紡織工業部紡織科學研究院)的工程師。程教授現為上海證券交易所上市公司恒力石化股份有限公司(股份代號：600346)之獨立董事。

## 董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS (Continued)

#### Independent Non-executive Directors (Continued)

**Mr. Ting Leung Huel, Stephen**, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 67, was appointed as independent non-executive Director of the Company on 21 November 2004. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is a partner and director of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) and Ting Ho Kwan & Chan CPA Limited respectively. He is currently an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Group Holdings Limited (stock code: 01966), Computer and Technologies Holdings Limited (stock code: 00046), Dongyue Group Limited (stock code: 00189), New Silkroad Culturaltainment Limited (stock code: 00472), Tong Ren Tang Technologies Company Limited (stock code: 01666) and Tongda Group Holdings Limited (stock code: 00698) respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited (stock code: 00116).

### SENIOR MANAGEMENT

**Mr. Sha Tao**, aged 55, is a vice president of the Group and director of our grey fabric production and management center. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 30 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

**Mr. Hu Zhiping**, aged 57, is a vice president of the Group and general manager of Taizhou business segment. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 30 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

**Mr. Cao Youchang**, aged 52, is a vice president of the Group and director of the yarn production and management center of the Group. He is responsible for the yarn production of the Group. Mr. Cao graduated from 南通紡織工學院 (Nantong Textile Industry College) with a bachelor's degree in textile engineering in 1994. Mr. Cao has over 26 years of experience in the textile industry. He joined the Group in 2000, and served as the director of yarn technology of the Group.

### 董事 (續)

#### 獨立非執行董事 (續)

**丁良輝先生**，MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD，67歲，於二零零四年十一月二十一日獲委任為本公司之獨立非執行董事。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行及丁何關陳會計師事務所有限公司之合夥人及董事。現為其他六家香港上市公司之獨立非執行董事，分別為中駿集團控股有限公司(股份代號：01966)、科聯系統集團有限公司(股份代號：00046)、東岳集團有限公司(股份代號：00189)、新絲路文旅有限公司(股份代號：00472)、北京同仁堂科技發展股份有限公司(股份代號：01666)及通達集團控股有限公司(股份代號：00698)。彼亦擔任周生生集團國際有限公司(股份代號：00116)之非執行董事。

### 高級管理層

**沙淘先生**，55歲，本集團的副總裁兼坯布生產管理中心總監。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾三十年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

**胡志平先生**，57歲，本集團副總裁兼泰州業務部總經理。胡先生於一九八四年自無錫職業大學紡織系畢業。彼於紡織業擁有逾三十年經驗。於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

**曹友常先生**，52歲，本集團的副總裁兼集團紗線生產管理中心總監並負責本集團的紗線生產。曹先生於一九九四年畢業自南通紡織工學院紡織工程系，並取得學士學位。曹先生於紡織業擁有逾二十六年經驗。彼於二零零零年加入本集團，曾出任本集團紗線技術總監。



# 公司資料

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)  
Mr. Zhu Yongxiang (*Vice chairman and chief executive officer*)  
Mr. Tang Daoping  
Mr. Hui Tsz Wai  
Mr. Ji Zhongliang

### INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD (*Chairman*)  
Professor Tao Xiaoming  
Professor Cheng Longdi

### REMUNERATION COMMITTEE

Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD (*Chairman*)  
Mr. Hong Tianzhu  
Professor Tao Xiaoming  
Professor Cheng Longdi

### NOMINATION COMMITTEE

Mr. Hong Tianzhu (*Chairman*)  
Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD  
Professor Tao Xiaoming  
Professor Cheng Longdi

### COMPANY SECRETARY

Mr. Hui Tsz Wai

### AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu  
Mr. Hui Tsz Wai

### HEAD OFFICE

Room 03, 37/F,  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
Hong Kong

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive, PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 執行董事

洪天祝先生 (*主席*)  
朱永祥先生 (*副主席兼行政總裁*)

湯道平先生  
許子慧先生  
吉忠良先生

### 獨立非執行董事及審核委員會

丁良輝先生 MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD (*主席*)  
陶肖明教授  
程隆棣教授

### 薪酬委員會

丁良輝先生 MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD (*主席*)  
洪天祝先生  
陶肖明教授  
程隆棣教授

### 提名委員會

洪天祝先生 (*主席*)  
丁良輝先生 MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD  
陶肖明教授  
程隆棣教授

### 公司秘書

許子慧先生

### 授權代表

洪天祝先生  
許子慧先生

### 總辦事處

香港  
荃灣  
海盛路9號  
有線電視大樓  
37樓03室

### 註冊辦事處

Cricket Square  
Hutchins Drive, PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands



## 公司資料 CORPORATE INFORMATION

### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
Sumitomo Mitsui Banking Corporation  
Agricultural Development Bank Of China  
Standard Chartered Bank  
Industrial And Commercial Bank of China  
Crédit Agricole Corporate & Investment Bank  
China Merchants Bank  
Hang Seng Bank Limited  
BNP Paribas  
Bank of Communications

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and Registered PIE Auditor

### LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
2103B  
21st Floor  
148 Electric Road  
North Point  
Hong Kong

### WEBSITE

[www.texhong.com](http://www.texhong.com)

### STOCK CODE

2678

### 主要往來銀行

中國銀行(香港)  
三井住友銀行  
中國農業發展銀行  
渣打銀行  
中國工商銀行  
東方滙理銀行  
招商銀行  
恒生銀行有限公司  
法國巴黎銀行  
交通銀行

### 核數師

羅兵咸永道會計師事務所  
執業會計師及認可公眾利益實體核數師

### 法律顧問(香港法律)

趙不渝馬國強律師事務所

### 主要股份過戶登記處

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### 香港股份過戶登記分處

寶德隆證券登記有限公司  
香港  
北角  
電氣道148號  
21樓  
2103B

### 互聯網址

[www.texhong.com](http://www.texhong.com)

### 股份代號

2678

# 董事會報告

## REPORT OF THE DIRECTORS

The Board of Directors of the Company is pleased to submit their report together with the audited financial statements of the Company for the year ended 31 December 2020.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments. The principal activities of the principal subsidiaries of the Company are set out in note 38 to the accompanying financial statements.

#### Business segments

The Group is engaged in the manufacturing and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments. Business analysis of revenue, segment results, total assets and capital expenditure are set out in note 5 to the accompanying financial statements.

#### Geographical segments

The Group mainly operates its business in China, Southeast Asia and Americas. Geographical analysis of revenue, segment results, total assets, and capital expenditure are set out in note 5 to the accompanying financial statements.

### BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company's business, please refer to the section headed "Management Discussion and Analysis" of this annual report.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance of such rules and regulations on the business. During the year ended 31 December 2020, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group understands that a better future depends on everyone's participation and contribution in environmental protection. All employees are encouraged to participate in environmental and social activities which benefit the community as a whole.

本公司董事會同寅欣然將其截至二零二零年十二月三十一日止年度之報告連同經已審核之本公司財務報表呈覽。

### 主要業務及營運地區分析

本公司為一間投資控股公司。本集團主要從事生產及銷售紗線、坯布、無紡布及面料和服裝。本公司主要附屬公司之主要業務活動載於隨附之財務報表附註38。

#### 業務分類

本集團從事製造及銷售紗線、坯布、無紡布及面料和服裝。收入、分部業績、資產總額及資本開支之業務分析載於隨附之財務報表附註5。

#### 地區分類

本集團主要於中國、東南亞及美洲等地區經營業務。收入、分部業績、資產總額及資本開支之地區分析載於隨附之財務報表附註5。

### 業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

本集團知悉遵守規則及法規之重要性及不遵守該等規則及法規對業務之影響。於截至二零二零年十二月三十一日止年度，據董事所知本集團已遵守所有與其業務有關有重大影響的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦鼓勵所有僱員參與環境及社會活動，惠及整個社區。

### BUSINESS REVIEW (Continued)

The Group advocates cleaner production and pursues both environmental and economic benefits through means such as reducing pollutant emissions, improving energy efficiency and reducing material consumption. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

Details of the Environmental, Social and Governance Report of the Group are set out on pages 78 to 126 of this annual report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated income statement on page 136 of this annual report.

The board recommended the payment of a final dividend of HK\$0.20 per share in respect of the financial year ended 31 December 2020.

### RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2020 are set out in note 18 to the accompanying financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2020 are set out in note 7 to the accompanying financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 16 to the accompanying financial statements.

### DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2020 is set out in note 36 to the accompanying financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

### 業務回顧(續)

本集團主張清潔生產，通過減少污染物排放、提高能源利用率、減少物料消耗等手段，追求環境與經濟雙收益。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

本集團「環境、社會及管治報告」詳情載於本年報第78至126頁。

### 業績及分派

本集團於截至二零二零年十二月三十一日止年度之業績載列於本年報第136頁之綜合收益表。

董事會建議派發截至二零二零年十二月三十一日止財政年度之末期股息每股0.20港元。

### 儲備

本集團截至二零二零年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註18。

### 物業、廠房及設備

本集團截至二零二零年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

### 股本

本公司之股本變動詳情載於隨附之財務報表附註16。

### 可供分派儲備

本公司於二零二零年十二月三十一日之可供分派儲備詳情載於隨附之財務報表附註36。

### 優先購買權

本公司組織章程細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司須按比例向現有股東發售新股的限制。

## TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 2 of this annual report.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

## SHARE OPTIONS

The Share Option Scheme was adopted by the shareholders of the Company at the annual general meeting on 7 April 2014 (the "Adoption Date").

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 88,468,117 Shares, representing 10% of the Shares in issue on the Adoption Date and 9.67% of the Shares in issue as at the date of this annual report respectively (the "General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in the Company in issue as at the date of the shareholders' approval.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

## 稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

## 財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第2頁。

## 購買、出售或購回上市證券

截至二零二零年十二月三十一日止年度，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

## 購股權

購股權計劃於二零一四年四月七日（「採納日期」）舉行之股東週年大會獲本公司採納。

購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員、貨物或服務供應商、客戶、向本集團提供研究、發展或其他技術支援之人士或實體、本集團任何成員公司之股東、本集團之顧問或專業顧問及任何其他對本集團之發展曾作出貢獻或可透過合營企業、業務聯盟或其他業務安排作出貢獻之團體或類別之參與者均合資格參與購股權計劃。

購股權計劃自採納日期起十年內有效。

於購股權計劃及獲本集團採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之股份總數不得超過88,468,117股股份，即採納日期已發行股份之10%及於本年報日期已發行股份9.67%（「一般計劃上限」）。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東通過之日本公司已發行股份之10%。

於購股權計劃及獲本集團採納之任何其他購股權計劃項下發行在外而尚未行使之全部購股權倘獲行使而可予發行之股份數目不得超過不時之已發行股份之30%。

### SHARE OPTIONS *(Continued)*

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit").

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

### 購股權 (續)

除獲得本公司股東批准外，於購股權計劃及本集團之任何其他購股權計劃項下於任何十二個月內向各參與者授出之購股權(包括已行使或尚未行使者)倘獲行使而發行或可予發行之股份總數不得超過當時本公司已發行股份之1%「個人上限」。

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。

購股權可按照購股權計劃之條款於董事會釐定及通知各承授人之期限(期限由授出購股權要約當日之後一日開始，惟無論如何不得遲於購股權授出日期起計十年結束，並受購股權有關提早終止之條文限制)內隨時行使。除董事另有釐定並於向承授人發出之要約函件註明外，購股權計劃並無規定其行使前必須持有之最短時限。

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於(以較高者為準)(i)授出購股權要約日期(須為營業日)在聯交所每日報價表上所示股份之收市價；(ii)緊接授出購股權要約日期前之五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii)股份之面值。



# 董事會報告

## REPORT OF THE DIRECTORS

### SHARE OPTIONS (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2020 are summarised as follows and details of which are set out in note 17 to the consolidated financial statements:

### 購股權(續)

於截至二零二零年十二月三十一日止年度，根據購股權計劃授出之購股權之變動之概要如下，詳情載於綜合財務報表附註17：

List of grantees	Date of grant (Note)	Exercise period	Number of share options 購股權數目							Outstanding as at 31 December 2020 於二零二零年十二月三十一日未行使
			Closing price per Share immediately before the date of grant 緊接授出日期前之每股收市價 HK\$ 港元	Exercise price per share 每股行使價 HK\$ 港元	Outstanding as at 1 January 2020 於二零二零年一月一日未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Cancelled during the year 於年內註銷	
<b>Directors</b>										
<b>董事</b>										
Mr. Tang Daoping 湯道平先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至 二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至 二零二五年三月二十二日	8.27	8.70	670,000	-	-	-	-	670,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至 二零二五年三月二十二日	8.27	8.70	660,000	-	-	-	-	660,000
					2,000,000	-	-	-	-	2,000,000
Mr. Hui Tsz Wai 許子慧先生	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至 二零二五年三月二十二日	8.27	8.70	1,000,000	-	-	-	-	1,000,000
	28 December 2015 二零一五年十二月二十八日	1 January 2017 to 27 December 2025 二零一七年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2018 to 27 December 2025 二零一八年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2019 to 27 December 2025 二零一九年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至 二零二五年十二月二十七日	5.84	5.70	300,000	-	-	-	-	300,000
					4,500,000	-	-	-	-	4,500,000
<b>Total</b> <b>總計</b>					6,500,000	-	-	-	-	6,500,000

Note: The vesting period of the share options is from the date of grant until the commencement of the exercise period.

附註：購股權之歸屬期由授出日期起直至行使期間始為止。

# 董事會報告

## REPORT OF THE DIRECTORS

### DIRECTORS

The Directors during the year ended 31 December 2020 and up to the date of this report were:

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Hui Tsz Wai  
Mr. Ji Zhongliang  
Mr. Ting Leung Huel, Stephen\*  
Professor Cheng Longdi\*  
Professor Tao Xiaoming\*

\* Independent non-executive Directors

In accordance with articles 108(A) and 108(B) of the articles of association of the Company, Mr. Hui Tsz Wai and Prof. Tao Xiaoming will retire as Directors by rotation and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Mr. Ji Zhongliang has informed the Board that he will retire as a Director and will not offer himself for re-election at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Hong Tianzhu, Mr. Zhu Yongxiang and Mr. Tang Daoping, all being executive Directors, has entered into a service contract with the Company for an initial term of one year commencing from 21 November 2015, and will continue thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. Mr. Hui Tsz Wai and Mr. Ji Zhongliang, both being executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from their respective dates of appointment as an executive Director, and will continue thereafter for successive term of one year until terminated by not less than three month's notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter.

Each of Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi, all being independent non-executive directors, has been appointed for an initial term of one year commencing from their respective dates of appointment as an INED renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term, unless terminated by not less than three months' notice in writing at the end of the initial term or at any time thereafter.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### 董事

截至二零二零年十二月三十一日止年度及直至本報告日期，在任之董事如下：

洪天祝先生  
朱永祥先生  
湯道平先生  
許子慧先生  
吉忠良先生  
丁良輝先生\*  
程隆棣教授\*  
陶肖明教授\*

\* 獨立非執行董事

根據本公司組織章程細則第108(A)及108(B)條，許子慧先生及陶肖明教授將輪值退任董事職務，彼等符合資格並願意於應屆股東週年大會上重選連任。吉忠良先生已告知董事會彼將退任董事職務及不願於應屆股東週年大會上重選連任。

### 董事服務合約

執行董事洪天祝先生、朱永祥先生及湯道平先生已各自與本公司訂立服務合約，由二零一五年十一月二十一日起計，初步為期一年，將其後將繼續續期一年，直至於初始期間結束時或其後任何時間，其中一方向另一方發出不少於三個月之書面通知終止為止。許子慧先生及吉忠良先生(均為執行董事)已各自與本公司訂立服務合約，自彼等各自獲委任為執行董事之日期起計，初步為期三年，其後按年續約，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

丁良輝先生、陶肖明教授及程隆棣教授均為獨立非執行董事，分別獲委以一年初步任期，由獲委任為獨立非執行董事之日期起計，可於現有委任期屆滿後翌日自動續約一年，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

概無董事與本公司或其任何附屬公司訂立服務合同，而有關服務合同在未有支付法定賠償以外之賠償則不得由本集團於一年內予以終止。

## PERMITTED INDEMNITY PROVISION

The service contracts entered into by the Company with each of the Directors, which are currently in force and were in force during the year ended 31 December 2020, contain indemnity provisions which are permitted indemnity provisions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) subject to the limitations specified in sections 468 and 469 thereof, for the benefit of the executive Directors. Pursuant to such provisions, the Company shall indemnify and hold harmless any Directors on demand from and against any and all losses, claims, damages, liabilities, and expenses, including without limitation, any proceedings brought against such Directors, arising from the performance of his duties pursuant to or his appointment under the service contracts, so far as permitted by law, except in any case where the matter in respect of which indemnification is sought was caused by the default, neglect, omission or fraud of the executive Directors. The Company has also taken out and maintained appropriate insurance cover to indemnify the Directors for liabilities that may arise out of corporate activities. The insurance coverage is reviewed on an annual basis. During the year ended 31 December 2020, no claims were made against the Directors.

## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

## EMOLUMENTS OF DIRECTORS, FIVE HIGHEST PAID DIRECTORS/EMPLOYEES AND SENIOR MANAGEMENT

Details of the emoluments of the Directors on a named basis during the year ended 31 December 2020 are set out in note 37 to the accompanying financial statements.

Details of the five highest paid individuals during the year ended 31 December 2020 are set out in note 27 to the accompanying financial statements.

During the year ended 31 December 2020, the remuneration of the senior management by band is set out as follows:

## 獲准許的彌償條文

本公司與各董事訂立之服務合約(目前生效及於截至二零二零年十二月三十一日止年度生效)載有的彌償條文,屬香港法例第622章公司條例的獲准許彌償條文,惟受當中第468及469條列明的若干限制所限,並以董事為受益人。根據該等條文,本公司應就任何董事在法律允許情況下,根據服務合約下的委任履行職務所產生的任何及所有損失、申索、損害、責任及開支,包括但不限於向該董事提出的任何訴訟,向該董事作出彌償及應要求使該董事免受其損害,惟倘因執行董事違約、疏忽、遺漏或欺詐而索取彌償的任何情況,則作別論。本公司亦已投購及維持適當保險,保障董事不承擔公司活動可能產生的責任。保險保障獲每年檢討。於截至二零二零年十二月三十一日止年度,概無對董事作出申索。

## 獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性,而根據上市規則第3.13條所載指引,本公司認為其各人均為獨立。

## 董事、五位最高薪之董事／僱員及高級管理層之酬金

截至二零二零年十二月三十一日止年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註37。

截至二零二零年十二月三十一日止年度內之五位最高薪人士之詳情載於隨附之財務報表附註27。

以下為截至二零二零年十二月三十一日止年度高級管理層之薪酬範圍分析：

Remuneration bands 薪酬範圍		Number of senior management 高級管理層人數
Below RMB1,000,000	人民幣 1,000,000 元以下	0
RMB1,000,001 to RMB2,000,000	人民幣 1,000,001 元至人民幣 2,000,000 元	3
RMB2,000,001 to RMB3,000,000	人民幣 2,000,001 元至人民幣 3,000,000 元	0
RMB3,000,001 to RMB4,000,000	人民幣 3,000,001 元至人民幣 4,000,000 元	0
RMB4,000,001 to RMB5,000,000	人民幣 4,000,001 元至人民幣 5,000,000 元	0

## REMUNERATION POLICY

Remuneration policy of the Group is reviewed regularly, making reference to the legal framework, market condition and performance of the Group and individual staff including the Directors). The remuneration policy and remuneration packages of the executive Directors and the senior management of the Group are reviewed by the Remuneration Committee, which are contained in the paragraph headed "Remuneration Committee" under the section headed "Corporate Governance Report" of this annual report.

## RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 27 to the accompanying financial statements.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as at the date of this annual report are set out on pages 52 to 55 of this annual report.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2020, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO"), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

## 薪酬政策

本集團參考法定架構、市場狀況及本集團及個別員工(包括董事)之表現，定期檢討其薪酬政策。薪酬委員會負責檢討本集團執行董事及高級管理層之薪酬政策及薪酬組合，詳情載於本年度報告「企業管治報告」一節「薪酬委員會」一段內。

## 退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註27。

## 董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第52至55頁。

## 董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零二零年十二月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益及淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Note 2) (附註2)	59.53%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.59%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of spouse 配偶權益	219,900,000 (L) (Note 3) (附註3)	24.03%
Mr. Tang Daoping 湯道平先生	the Company 本公司	Beneficial owner 實益擁有人	2,580,000 (L) (Note 4) (附註4)	0.28%
Mr. Hui Tsz Wai 許子慧先生	the Company 本公司	Beneficial owner 實益擁有人	4,500,000 (L) (Note 5) (附註5)	0.49%

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

(Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
3. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Mr. Zhu Yongxiang is the spouse of Ms. Zhao Zhiyang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in the same number of shares in which Ms. Zhao Zhiyang is interested. Mr. Zhu Yongxiang is a director of Wisdom Grace Investments Limited and Trade Partner Investments Limited.
4. These interests includes 2,000,000 share options granted to Mr. Tang Daoping pursuant to the Share Option Scheme.
5. These interests represent share options granted to Mr. Hui Tsz Wai pursuant to the Share Option Scheme.

**董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉(續)**

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等 544,742,400 股股份中 392,842,400 股以 New Green Group Limited (其全部已發行股本由 Texhong Group Holdings Limited 實益擁有，洪天祝先生實益擁有後者 100% 權益) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (洪天祝先生透過 New Green Group Limited 實益擁有其全部已發行股份的 57.44% 權益) 名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於 New Green Group Limited 及 Trade Partner Investments Limited 持有之所有股份佔有權益。洪天祝先生為 Texhong Group Holdings Limited、New Green Group Limited 及 Trade Partner Investments Limited 之董事。
3. 該等 219,900,000 股股份中 68,000,000 股以 Wisdom Grace Investments Limited (其全部已發行股本由趙志楊女士實益擁有) 名義及作為實益擁有人登記；151,900,000 股以 Trade Partner Investments Limited (趙志楊女士透過 Wisdom Grace Investments Limited 實益擁有其全部已發行股份的 42.56% 權益) 名義及作為實益擁有人登記。朱永祥先生為趙志楊女士之配偶。根據證券及期貨條例，朱永祥先生被視為於趙志楊女士佔有權益之同樣數目股份中佔有權益。朱永祥先生為 Wisdom Grace Investments Limited 及 Trade Partner Investments Limited 之董事。
4. 該等權益包括根據購股權計劃授予湯道平先生的 2,000,000 份購股權。
5. 該等權益代表根據購股權計劃授予許子慧先生的購股權。



## 董事會報告 REPORT OF THE DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2020, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Ordinary Shares of the Company:

### 主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零二零年十二月三十一日，於本公司或其相聯法團股份、相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事或行政總裁除外）如下：

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Percentage 百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400 (L) (Note 2) (附註2)	42.93%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.60%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	151,900,000 (L) (Note 3) (附註3)	16.60%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.43%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.60%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Notes 2 and 3) (附註2及3)	59.53%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400 (L) (Note 5) (附註5)	60.12%
Ms. Zhao Zhiyang 趙志楊女士	Interest of controlled corporation(s) 所控制法人權益	219,900,000 (L) (Note 6) (附註6)	24.03%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	64,100,000 (L) (Note 7) (附註7)	7.01%
Event Star Limited	Beneficial owner 實益擁有人	64,100,000 (L) (Note 7) (附註7)	7.01%

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY**

(Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Ms. Zhao Zhiyang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Ms. Zhao Zhiyang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Ms. Zhao Zhiyang through Wisdom Grace Investments Limited.
7. These 64,100,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

**主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)**

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有, 洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例, Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該等151,900,000股股份以Trade Partner Investments Limited(其全部已發行股本由洪天祝先生(透過New Green Group Limited)及趙志楊女士(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例, 洪天祝先生、趙志楊女士、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該等68,000,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由趙志楊女士實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例, 趙志楊女士被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例, 柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 該219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited(其全部已發行股本由趙志楊女士實益擁有)名義及作為實益擁有人登記; 151,900,000股以Trade Partner Investments Limited(趙志楊女士透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。
7. 該等64,100,000股股份以Event Star Limited之名義登記及由其實益擁有, 而該公司完全由許清流先生控制。根據證券及期貨條例, 許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during the year ended 31 December 2020 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any other body corporate.

## CONTRACTS OF SIGNIFICANCE

Save as disclosed in the related party transactions as set out in note 35 of the financial statements and in the section headed “Connected transactions” in this annual report, no Director nor an entity connected with such director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, subsisting at the end of the year or at any time during the year.

Save as disclosed in the related party transactions as set out in note 35 of the financial statements and in the section headed “Connected transactions” in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company which were not contracts of service with any Director or any person engaged in full time employment of the Company were entered into or subsisted during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2020, the percentages of purchases and sales attributable to the Group’s major suppliers and customers are as follows:

Purchases	
— the largest supplier	13.0%
— five largest suppliers combined	34.4%
Sales	
— the largest customer	2.9%
— five largest customers combined	8.7%

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company’s share capital) had an interest in the major suppliers or customers of the Group noted above.

## 購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零二零年十二月三十一日止年度，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事（包括其配偶或未滿十八歲之子女）以透過收購本公司或任何其他法人團體之股份或債權證之方法獲得利益。

## 重大合約

除本年報財務報表附註35及「關連交易」一節所載之關連方交易所披露之外，概無董事或與該董事有關連之實體於任何就本集團業務而言屬重大且本公司或其任何附屬公司為訂約方並於年終或年內任何時間存在的交易、安排或合約中擁有重大權益（不論直接或間接）。

除本年報財務報表附註35及「關連交易」一節所載之關連方交易所披露之外，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立重大合約。

## 管理層合約

概無有關本公司整體或任何重大部分業務之管理及行政之合約（並非與任何董事或獲本公司委聘擔任全職工作之任何人士）獲訂立或存續。

## 主要客戶及供應商

截至二零二零年十二月三十一日止年度，本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
— 最大供應商	13.0%
— 五位最大供應商合計	34.4%
銷售額	
— 最大客戶	2.9%
— 五位最大客戶合計	8.7%

董事、彼等之緊密聯繫人或任何股東（指據董事所知擁有本公司5%以上股本權益之股東）並無於上述之本集團主要供應商或客戶中擁有任何權益。

## CONNECTED TRANSACTIONS

During the year ended 31 December 2020, the Group had conducted the following continuing connected transactions which were required to be disclosed pursuant to Rule 14A.71 of the Listing Rules:

### Continuing connected transactions — Utilities Master Supply and Service Agreements

- (1) Reference is made to (i) the announcement of the Company dated 23 May 2017 in relation to the supply of utilities and wastewater treatment services by Texhong Industrial Park Vietnam Limited (“Texhong Industrial Park”) to each of Texhong Galaxy Technology Limited (“Texhong Galaxy”) for its uses on the Texhong Galaxy Land (as defined below) and Texhong Dyeing And Printing Vietnam Limited (Currently known as Texhong Winnitex Vietnam Limited) (“Texhong Dyeing”) for its uses on the Dyeing Land (as defined below); and (ii) the announcement of the Company dated 20 October 2017 in relation to supply of gas by Texhong Industrial Park to Texhong Dyeing Land; and (iii) the announcement of the Company dated 10 May 2019 and the supplemental announcement of the Company dated 17 May 2019.

On 10 May 2019, Texhong Galaxy, as customer, had entered into the following renewal agreements with Texhong Industrial Park, as supplier, for its uses on two parcels of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 225,000 square metres and 215,000 square metres, respectively, and the infrastructure erected thereon (“Texhong Galaxy Land”) with effect from 1 January 2020 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Galaxy Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Galaxy Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Galaxy Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Galaxy Water Master Supply Agreement”).

(collectively, “Texhong Galaxy Agreements”)

## 關連交易

於截至二零二零年十二月三十一日止年度，本集團已進行以下持續關連交易，須根據上市規則第14A.71條披露：

### 持續關連交易 — 水電供應及服務總協議

- (1) 茲提述(i)本公司日期為二零一七年五月二十三日之公佈，內容有關天虹工業園區越南有限公司(「天虹工業園區」)分別向天虹銀河科技有限公司(「天虹銀河」)天虹銀河地塊(定義見下文)及越南天虹染整責任有限公司(現更名為天虹慶業越南有限公司)(「天虹染整」)天虹染整地塊(定義見下文)供應水電及提供污水處理服務；及(ii)本公司日期為二零一七年十月二十日之公佈，內容有關天虹工業園向天虹染整地塊供應燃氣；及(iii)本公司日期為二零一九年五月十日之公佈及本公司日期為二零一九年五月十七日之補充公佈。

於二零一九年五月十日，天虹銀河(作為客戶)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園兩幅地盤面積分別約為225,000平方米及215,000平方米之工業用地以及其上所建基建(「天虹銀河地塊」)訂立如下續期協議，有效期自二零二零年一月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「天虹銀河供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「天虹銀河蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「天虹銀河污水處理服務協議」)；及
4. 有關水供應的供水總協議(「天虹銀河供水總協議」)。

(統稱為「天虹銀河協議」)

**CONNECTED TRANSACTIONS** (Continued)

**Continuing connected transactions — Utilities Master Supply and Service Agreements** (Continued)

(2) On 10 May 2019, Texhong Dyeing, as customer, had entered into the following renewal agreements with Texhong Industrial Park, as supplier, for its uses on a parcel of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 123,228 square metres and the infrastructure erected thereon (“Texhong Dyeing Land”) with effect from 1 January 2020 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“Texhong Dyeing Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“Texhong Dyeing Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“Texhong Dyeing Wastewater Treatment Service Agreement”);
4. the water master supply agreement in relation to the provision and supply of water (“Texhong Dyeing Water Master Supply Agreement”); and
5. the provision and supply of liquefied petroleum gas (“Texhong Dyeing Gas Supply Agreement”).

(collectively, “Texhong Dyeing Agreements”)

**關連交易** (續)

**持續關連交易 — 水電供應及服務總協議** (續)

(2) 於二零一九年五月十日，天虹染整(作為客戶)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園一幅地盤面積約為123,228平方米之工業用地以及其上所建基建(「天虹染整地塊」)訂立如下續期協議，有效期自二零二零年一月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「天虹染整供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「天虹染整蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「天虹染整污水處理服務協議」)；
4. 有關水供應的供水總協議(「天虹染整供水總協議」)；及
5. 提供及供應液態石油氣(「天虹染整燃氣供應協議」)。

(統稱為「天虹染整協議」)



**CONNECTED TRANSACTIONS** (Continued)

**Continuing connected transactions — Utilities Master Supply and Service Agreements** (Continued)

(3) On 10 May 2019, Texhong United Technology Vietnam Company Limited (“United Technology Vietnam”), had entered into the following agreements with Texhong Industrial Park, as supplier, for its uses on a parcel of industrial land located at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam with a site area of approximately 269,748.5 square meters and the infrastructure erected thereon (“United Technology Vietnam Land”) with effect from 1 June 2019 to 31 December 2021:

1. the power master supply agreement in relation to the provision and supply of electricity (“United Technology Vietnam Power Master Supply Agreement”);
2. the steam master supply agreement in relation to the provision and supply of steam (“United Technology Vietnam Steam Master Supply Agreement”);
3. the wastewater treatment service agreement in relation to the provision and supply of wastewater treatment service (“United Technology Vietnam Wastewater Treatment Service Agreement”); and
4. the water master supply agreement in relation to the provision and supply of water (“United Technology Vietnam Water Master Supply Agreement”).

(collectively, “United Technology Vietnam Agreements”)

Please refer to the announcement of the Company dated 10 May 2019 for further details of the Texhong Galaxy Agreements, Texhong Dyeing Agreements and United Technology Vietnam Agreements.

The tables below set out the actual transaction amount and the annual caps for the year ended 31 December 2020 for each of the Texhong Dyeing Agreements, Texhong Galaxy Agreements and United Technology Vietnam Agreements.

**關連交易** (續)

**持續關連交易 — 水電供應及服務總協議** (續)

(3) 於二零一九年五月十日，天虹聯合科技越南有限公司(「聯合科技越南」)與天虹工業園(作為供應商)就其使用位於越南廣寧省海河區天虹工業園一幅地盤面積約為269,748.5平方米之工業用地以及其上所建基建(「聯合科技越南地塊」)訂立如下協議，有效期自二零一九年六月一日起至二零二一年十二月三十一日止：

1. 有關電力供應的供電總協議(「聯合科技越南供電總協議」)；
2. 有關蒸氣供應的蒸汽供應總協議(「聯合科技越南蒸汽供應總協議」)；
3. 有關提供廢水處理服務的污水處理服務協議(「聯合科技越南污水處理服務協議」)；及
4. 有關水供應的供水總協議(「聯合科技越南供水總協議」)。

(統稱為「聯合科技越南協議」)

有關天虹銀河協議、天虹染整協議及越南聯合科技協議的進一步詳情，請參閱本公司日期為二零一九年五月十日的公佈。

下表載列天虹染整協議、天虹銀河協議及越南聯合科技越南協議各自截至二零二零年十二月三十一日止年度之實際交易金額及年度上限。

CONNECTED TRANSACTIONS (Continued)

關連交易(續)

For the year  
ended  
31 December  
2020  
截至二零二零年  
十二月三十一日  
止年度

**Texhong Dyeing Agreements**

**天虹染整協議**

Texhong Dyeing Power Master Supply Agreement 天虹染整供電總協議	Actual transaction amount 實際交易金額	RMB3.726 million 人民幣 3,726,000 元
	Existing annual caps 現有年度上限	RMB11.966 million 人民幣 11,966,000 元
Texhong Dyeing Water Master Supply Agreement 天虹染整供水總協議	Actual transaction amount 實際交易金額	RMB1.046 million 人民幣 1,046,000 元
	Existing annual caps 現有年度上限	RMB5.093 million 人民幣 5,093,000 元
Texhong Dyeing Steam Master Supply Agreement 天虹染整蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB11.120 million 人民幣 11,120,000 元
	Existing annual caps 現有年度上限	RMB38.962 million 人民幣 38,962,000 元
Texhong Dyeing Wastewater Treatment Service Agreement 天虹染整污水處理服務協議	Actual transaction amount 實際交易金額	RMB1.421 million 人民幣 1,421,000 元
	Existing annual caps 現有年度上限	RMB6.67 million 人民幣 6,670,000 元
Texhong Dyeing Gas Supply Agreement 天虹染整燃氣供應協議	Actual transaction amount 實際交易金額	RMB1.35 million 人民幣 1,350,000 元
	Existing annual caps 先前年度上限	RMB9.646 million 人民幣 9,646,000 元

**Texhong Galaxy Agreements**

**天虹銀河協議**

Texhong Galaxy Power Master Supply Agreement 天虹銀河供電總協議	Actual transaction amount 實際交易金額	RMB161.145 million 人民幣 161,145,000 元
	Existing annual caps 現有年度上限	RMB190.32 million 人民幣 190,320,000 元

CONNECTED TRANSACTIONS (Continued)

關連交易(續)

For the year  
ended  
31 December  
2020  
截至二零二零年  
十二月三十一日  
止年度

Texhong Galaxy Water Master Supply Agreement 天虹銀河供水總協議	Actual transaction amount 實際交易金額	RMB2,422 million 人民幣 2,422,000 元
	Existing annual caps 現有年度上限	RMB3,206 million 人民幣 3,206,000 元
Texhong Galaxy Steam Master Supply Agreement 天虹銀河蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB11,371 million 人民幣 11,371,000 元
	Existing annual caps 現有年度上限	RMB14,709 million 人民幣 14,709,000 元
Texhong Galaxy Wastewater Treatment Service Agreement 天虹銀河污水處理服務協議	Actual transaction amount 實際交易金額	RMB3,955 million 人民幣 3,955,000 元
	Existing annual caps 現有年度上限	RMB4.16 million 人民幣 4,160,000 元
<b>United Technology Vietnam Agreements</b> 聯合科技越南協議		
United Technology Vietnam Power Master Supply Agreement 聯合科技越南供電總協議	Actual transaction amount 實際交易金額	RMB4,903 million 人民幣 4,903,000 元
	Existing annual caps 現有年度上限	RMB16,641 million 人民幣 16,641,000 元
United Technology Vietnam Steam Master Supply Agreement 聯合科技越南蒸汽供應總協議	Actual transaction amount 實際交易金額	RMB1,987 million 人民幣 1,987,000 元
	Existing annual caps 現有年度上限	RMB15,851 million 人民幣 15,851,000 元
United Technology Vietnam Wastewater Treatment Service Agreement 聯合科技越南污水處理服務協議	Actual transaction amount 實際交易金額	RMB0,606 million 人民幣 606,000 元
	Existing annual caps 現有年度上限	RMB6,702 million 人民幣 6,702,000 元
United Technology Vietnam Water Master Supply Agreement 聯合科技越南供水總協議	Actual transaction amount 實際交易金額	RMB0,482 million 人民幣 482,000 元
	Existing annual caps 現有年度上限	RMB3,655 million 人民幣 3,655,000 元

## CONNECTED TRANSACTIONS (Continued)

### Listing Rules implication

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director and Mr. Zhu Yongxiang, the co-chief executive officer of the Group and an executive Director. Therefore, the transactions contemplated under the Texhong Dyeing Agreements, the Texhong Galaxy Agreements and United Technology Vietnam Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The independent non-executive Directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed and confirmed that the aforementioned continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. PricewaterhouseCoopers, the auditors of the Company, has issued a letter to the Company to confirm the matters stated in Rule 14A.56 of the Listing Rules.

## MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition and disposal of subsidiaries or associated companies by the Company during the year ended 31 December 2020.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2020.

## AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Ting Leung Huel, Stephen is the chairman of the Audit Committee. The rights and duties of the Audit Committee comply with the code provisions of the CG Code. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

The Audit Committee had reviewed the audited results of the Group for the year ended 31 December 2020.

## 關連交易 (續)

### 上市規則之涵義

天虹工業園為本公司主席兼執行董事洪天祝先生及本集團聯席行政總裁兼執行董事朱永祥先生之聯繫人，故屬本公司之關連人士。因此，天虹染整協議、天虹銀河協議及聯合科技越南協議項下擬進行交易構成上市規則第14A章項下本公司之持續關連交易。

就上市規則第14A.55條而言，獨立非執行董事已檢討及確認本集團上述持續關連交易(i)乃於本集團日常及一般業務過程中；(ii)按正常或更佳商業條款；及(iii)根據規範交易的相關協議按公平合理條款訂立，符合本公司股東整體利益。本公司核數師羅兵咸永道會計師事務所已向本公司發出函件，確認上市規則第14A.56條所述事項。

## 重大收購及出售事項

本公司於截至二零二零年十二月三十一日止年度無重大收購及出售附屬公司或聯營公司事項。

## 公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零二零年十二月三十一日止財政年度任何時間已發行股份均有充分之指定公眾持股量，符合上市規則。

## 審核委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立審核委員會。審核委員會由三名獨立非執行董事組成，包括丁良輝先生、陶肖明教授及程隆棣教授，丁良輝先生為審核委員會主席。審核委員會所採納的權力及職責符合企業管治守則之守則條文。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已審閱本集團截至二零二零年十二月三十一日止年度之經審核業績。

### NOMINATION COMMITTEE

The Company has established the Nomination Committee pursuant to a resolution of the Directors passed on 19 March 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Ting Leung Huel, Stephen. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

### REMUNERATION COMMITTEE

The Company has established the Remuneration Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Professor Tao Xiaoming and Professor Cheng Longdi and the chairman and executive Director, namely Mr. Hong Tianzhu. Mr. Ting Leung Huel, Stephen is the chairman of the Remuneration Committee. The Remuneration Committee has rights and duties consistent with those set out in the code provisions of the CG Code. The Remuneration Committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board.

### CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2020, the Group made charitable contributions amounted to approximately RMB5.35 million.

### LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries that would have a material adverse effect on the financial condition or results of operation of the Group during the year ended 31 December 2020.

### 提名委員會

根據董事於二零一二年三月十九日通過的一項決議案，本公司已成立提名委員會。提名委員會由執行董事兼本公司主席洪天祝先生及三名獨立非執行董事組成，三名董事分別為陶肖明教授、程隆棟教授及丁良輝先生。洪天祝先生為提名委員會主席。提名委員會所採納的職權範圍符合企業管治守則之守則條文。提名委員會獲提供充分資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

### 薪酬委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立薪酬委員會。薪酬委員會由三名獨立非執行董事丁良輝先生、陶肖明教授、程隆棟教授及主席兼執行董事洪天祝先生組成。丁良輝先生為薪酬委員會主席。薪酬委員會已採納與企業管治守則之守則條文一致的權力及職責。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

### 慈善捐款

截至二零二零年十二月三十一日止年度，本集團作出慈善捐款約人民幣535萬元。

### 訴訟

於截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司概無牽涉於任何重大訴訟或仲裁，而據董事所知，本公司或其任何附屬公司並無涉及任何會對本集團財務狀況或經營業績構成重大不利影響之待決或面臨威脅之重大訴訟或索償。



## 董事會報告 REPORT OF THE DIRECTORS

### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

### Hong Tianzhu

*Chairman*

Hong Kong, 12 March 2021

### 核數師

財務報表已經由羅兵咸永道會計師事務所審核。該核數師將任滿告退，其合資格並願意於即將舉行的股東週年大會上獲續聘。

承董事會命

### 洪天祝

*主席*

香港，二零二一年三月十二日

# 環境、社會及管治報告

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

According to the requirements of the Appendix 27 “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Company has prepared this environmental, social and governance report (the “ESG Report” or the “Report”), which sets out the performance of the Group in terms of environmental and social subject areas in 2020. This is the fifth ESG Report published consecutively by the Group.

### REPORTING SCOPE

The Report covers the main business segments of the Group in the manufacturing of yarns, grey fabrics, garment fabrics and garments, including the environmental and social key performance indicators (“KPI”) of the 17 production subsidiaries of the Group that are situated in Mainland China, Vietnam and Nicaragua, throughout the financial year ended 31 December 2020. This report includes the newly acquired Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd. (“Zhejiang Qing Mao”), excluding Chu Hsing Garment Cambodia Co., Ltd. which has ceased production. Save as disclosed in this report, there is no change in the scope of disclosure in this report compared with the ESG report set out in the 2019 annual report of the Group published on 31 March 2020.

### REPORTING PRINCIPLES

The Group performed an assessment over the relevant subject areas and KPIs in terms of applicability and materiality in accordance with the ESG Reporting Guide. In full compliance with the disclosure requirement “comply or explain”, this report provides explanations as to why certain disclosure rules do not apply to the Group, thereby satisfying the reporting principles of the ESG Reporting Guide:

- “Materiality”: The Group determines material ESG issues by stakeholders engagement and materiality assessment;
- “Quantitative”: The Report states the Group’s applicable environmental and social KPIs on a quantitative basis;
- “Consistency”: The relevant disclosure methodology of the Report remains consistent with those used in ESG Report for the previous year.

根據《香港聯合交易所有限公司證券上市規則》附錄27《環境、社會及管治報告指引》(簡稱「ESG報告指引」)要求，本集團編制本《環境、社會及管治報告》(簡稱「ESG報告」或「本報告」)，載列本集團於二零二零年在環境及社會方面的表現。這是本集團連續發佈的第五份ESG報告。

### 報告範圍

本報告覆蓋本集團的紗線、坯布、面料及服裝等主要業務板塊，並包括截至二零二零年十二月三十一日止整個財政年度本集團位於中國內地、越南和尼加拉瓜的十七家附屬生產公司的環境及社會範疇關鍵績效指標。本報告包括新收購的浙江慶茂紡織印染有限公司(「浙江慶茂」)，未包括已經停產的竹興製衣柬埔寨股份有限公司，除此之外，本報告的披露範圍相較本集團於二零二零年三月三十一日發佈的二零一九年年報所載ESG報告沒有變化。

### 報告原則

本集團根據《ESG報告指引》對相關層面和關鍵績效指標進行了適用性及實質性評估。本報告完全符合「不遵守就解釋」披露要求，報告中對不適用於集團的披露規則進行了解釋，遵守《ESG報告指引》匯報原則：

- 「重要性」原則：本集團通過利益相關方參與及實質性評估，確定重要ESG議題；
- 「量化」原則：本報告定量匯報了本集團環境及社會範疇的適用關鍵績效指標；
- 「一致性」原則：本報告相關披露統計方法與此前年度ESG報告的統計口徑保持一致。

## 1. RESPONSIBILITY MANAGEMENT

### 1.1 ESG Strategy

The Group upholds the core values of “Respect for nature and love for mankind” and the corporate mission of “Becoming a global leading cotton textile enterprise that emphasizes creating a wonderful life”. It adheres to the principles of “Honest Partnership, creativity and excellence, customer-oriented approach” and insists on a sustainable development pattern. Just like the integration and interaction of the three-color ribbons in the Group logo, Texhong integrates social, economic and environmental responsibilities into production and operation to promote the concept of humanity, environmental friendliness and energy conservation, health and safety, and integrity, with a view to becoming a socially responsible corporation.

### 1.2 ESG Governance structure

The Group recognizes the importance of enhancing its own environmental and social performances to maintain business sustainability, and the Group has established a sound corporate governance structure. In determining its operation strategy, the Group considers risks and opportunities affecting the ESG issues, which will provide guidelines for its daily business operations.

The Board is the top governance organization for ESG matters of the Group and assumes full responsibility for the ESG strategies and reporting of the Group. The Board endorses the Group’s commitments to ESG responsibility, and is responsible for directing and supervising the ESG decision and performance of the Group. The Board reviews the ESG performance of the Group annually, identifies, evaluates and manages important ESG-related matters, reviews ESG objectives and monitors progress towards ESG objectives, and oversees and approves annual ESG report.

In charge of assessing and determining the ESG risk exposure, the management of the Group also ensures the Group establishes appropriate and effective ESG risk management and internal control systems and reports to the Board the ESG-related risks and opportunities, and progress made against ESG-related goals, and provides confirmation on the effectiveness of the ESG system.

To carry out the full-scale ESG management work, the Group’s ESG working group, comprised of the major functional departments of Texhong, is established, and all responsible officers in charge of various functional departments will directly participate in and designate personnel to engage in the ESG management and reporting work, the work progress of which will be reported to the management of the Group.

## 1. 責任管理

### 1.1 ESG 戰略

本集團以「敬天愛人，自利利他」為核心價值觀，以「成為全球領先的棉紡織企業，創意精彩生活」為企業願景，恪守「誠實合作、創新卓越、客戶導向」的行動綱領，始終堅持企業可持續發展道路。正如本集團標誌中三色飄帶交融互動，天虹將社會、經濟與環境責任融入到生產運營中，傳遞以人為本、環保節能、健康安全、誠信經營的理念，努力成為一家有企業社會責任感的公司。

### 1.2 ESG 管治架構

本集團深知提升自身環境與社會績效對集團可持續化運營的重要性，本集團建立了完善的企業管治架構，已將影響 ESG 的風險與機遇因素納入本集團經營戰略中，指導日常業務運營。

董事會為本集團 ESG 事宜最高管治機構，對本集團的 ESG 策略及匯報承擔全部責任。董事會支持本集團對於履行 ESG 責任所作的承諾，並負責領導及監督本集團的 ESG 戰略決策和表現。董事會每年審閱集團的 ESG 表現，識別、評估並管理重要的 ESG 相關事宜，檢討 ESG 目標，監督 ESG 目標達成進度，並審批年度 ESG 報告。

本集團管理層負責評估及釐定本集團有關 ESG 的風險，確保本集團設立合適及有效的 ESG 風險管理及內部控制系統，向董事會匯報 ESG 相關的風險與機遇及 ESG 目標達成進展，並提供有關 ESG 系統是否有效的確認。

為全面推進 ESG 管理工作，確保設立合適及有效的 ESG 風險管理及內部監控系統，本集團成立了由天虹主要部門組成的 ESG 工作組，各部門負責人直接參與，並指定專人負責開展 ESG 管理和報告的工作，向本集團管理層匯報 ESG 管理和報告的工作進度。

1. RESPONSIBILITY MANAGEMENT (Continued)

1.3 Stakeholder Engagement

The Group attaches great importance to communications with stakeholders and establishes effective communication channels with key stakeholders including shareholders, employees, suppliers and customers, and actively communicates with stakeholders, understands and responds to the demands and expectations of stakeholders.

1. 責任管理(續)

1.3 利益相關方溝通

本集團重視與利益相關方的溝通，與主要利益相關方包括股東、員工、供貨商與客戶等建立了有效地溝通渠道，積極開展利益相關方溝通，了解並回應利益相關方的訴求與期望。

Stakeholders 利益相關方	Expectations and concerns 期望與要求	Means of communication 溝通方式
<b>Government</b>	<ul style="list-style-type: none"> <li>• Observance of disciplines and laws</li> <li>• Tax payment in accordance with laws</li> <li>• Labour rights</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Daily supervision</li> <li>• Official correspondence</li> <li>• Conference exchange</li> </ul>
政府	<ul style="list-style-type: none"> <li>• 遵紀守法</li> <li>• 依法納稅</li> <li>• 勞工權益</li> <li>• 環境保護</li> </ul>	<ul style="list-style-type: none"> <li>• 日常監管</li> <li>• 公文往來</li> <li>• 會議交流</li> </ul>
<b>Shareholders/investors</b>	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Investment returns</li> <li>• Corporate governance</li> <li>• Risk control</li> <li>• Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Company website</li> <li>• Mail, telephone and fax</li> <li>• Investor relations activities</li> <li>• Website of the Stock Exchange</li> </ul>
股東／投資者	<ul style="list-style-type: none"> <li>• 信息披露</li> <li>• 投資回報</li> <li>• 公司治理</li> <li>• 風險控制</li> <li>• 可持續發展</li> </ul>	<ul style="list-style-type: none"> <li>• 股東大會</li> <li>• 公司網站</li> <li>• 郵件、電話、傳真</li> <li>• 投資者關係活動</li> <li>• 聯交所網站</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Wages and benefits</li> <li>• Occupational health and safety</li> <li>• Training and development opportunities</li> <li>• Democratic communication and human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Complaint E-mail and hotline</li> <li>• Annual meetings, routine meetings, etc.</li> <li>• Internal publications (Texhong News)</li> <li>• Employee activities</li> </ul>
員工	<ul style="list-style-type: none"> <li>• 工資及福利</li> <li>• 職業健康與安全</li> <li>• 培訓與發展機會</li> <li>• 民主溝通與人權保障</li> </ul>	<ul style="list-style-type: none"> <li>• 申述電子郵箱及電話</li> <li>• 年會、日常會議等</li> <li>• 內部刊物(天虹報)</li> <li>• 員工活動</li> </ul>

1. RESPONSIBILITY MANAGEMENT (Continued)

1.3 Stakeholder Engagement (Continued)

1. 責任管理 (續)

1.3 利益相關方溝通 (續)

Stakeholders 利益相關方	Expectations and concerns 期望與要求	Means of communication 溝通方式
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Quality service</li> <li>Product innovation</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Visiting customers</li> <li>Handling customer complaints</li> </ul>
客戶	<ul style="list-style-type: none"> <li>產品質量與安全</li> <li>優質服務</li> <li>產品創新</li> <li>可持續發展</li> </ul>	<ul style="list-style-type: none"> <li>客戶滿意度調查</li> <li>客戶走訪</li> <li>客戶投訴處理</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Quality and price</li> <li>Integrity and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Project cooperation negotiation</li> <li>Visiting suppliers</li> <li>Quality communication</li> </ul>
合作夥伴	<ul style="list-style-type: none"> <li>供應鏈管理</li> <li>質量與價格</li> <li>誠信合規</li> </ul>	<ul style="list-style-type: none"> <li>項目合作談判</li> <li>供應商走訪</li> <li>質量溝通</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Events for good causes</li> </ul>	<ul style="list-style-type: none"> <li>Charitable donations</li> <li>Volunteer service</li> </ul>
社會	<ul style="list-style-type: none"> <li>環境保護</li> <li>公益活動</li> </ul>	<ul style="list-style-type: none"> <li>慈善捐贈</li> <li>志願者服務</li> </ul>



### 1. RESPONSIBILITY MANAGEMENT (Continued)

#### 1.4 Materiality assessment

In order to better understand the issues that stakeholders are concerned about, to guide the development of ESG work and the preparation of the Report, and to improve the quality of the disclosures, the Group conducted an ESG materiality assessment to identify key issues. In 2020, the ESG working group invited key internal and external stakeholders to participate in the materiality assessment to identify material ESG issues.

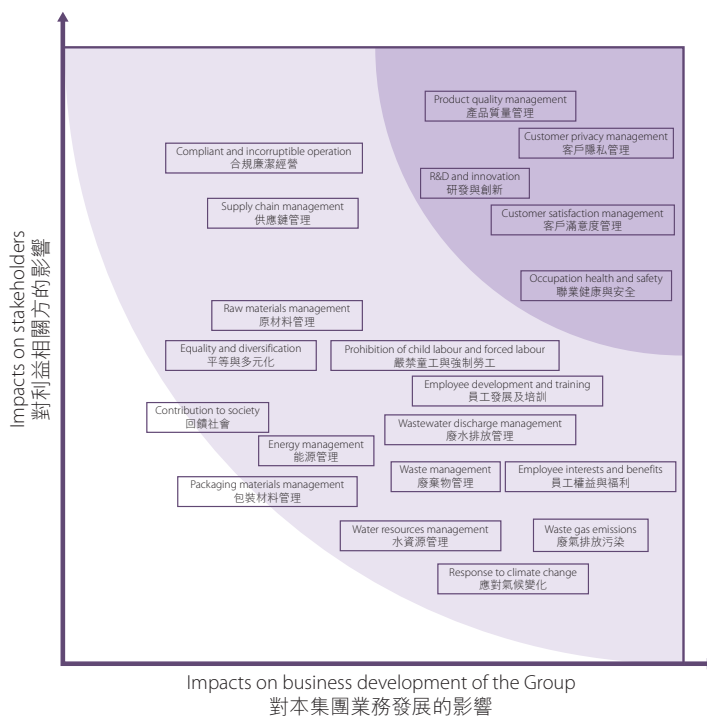
- **Identification of issues:** Taking into consideration factors such as the Group's current situation, industry situation and risks and opportunities, 20 ESG issues relevant to the Group and its stakeholders were identified;
- **Questionnaire survey:** Focusing on the identified issues, online and offline survey questionnaires were designed and issued to internal and external stakeholders such as management, employees, customers and suppliers. A total of 125 valid questionnaires were received and summarized and materiality analysis was conducted to obtain preliminary materiality assessment results;
- **Confirmation of results:** The preliminary results were discussed, verified and confirmed by the senior management and the ESG working group, and the final materiality assessment results were obtained.

### 1. 責任管理 (續)

#### 1.4 實質性評估

為深入了解利益相關方關注的議題，指導 ESG 工作的開展和報告的編制，提高披露內容的質量，本集團定期開展 ESG 實質性評估，確定利益相關方關注的關鍵議題。二零二零年，ESG 工作小組邀請了內外部主要利益相關方參與實質性評估，確定了重要的 ESG 議題。

- **議題識別：**綜合考慮本集團現狀、行業概況、面臨風險和機遇等因素，識別出對本集團及其利益相關方相關的 20 個 ESG 議題；
- **問卷調研：**針對識別出的議題分別對管理層、員工、客戶和供應商等內、外部利益相關方設計和發放線上和線下調研問卷，共收回 125 份有效問卷，對問卷進行匯總和實質性分析，得出初步實質性評估結果；
- **結果確認：**初步結果由高級管理層與 ESG 工作小組進行討論、驗證和確認，最終得到實質性評估結果。



## 2. PRODUCTS AND SERVICES

### 2.1 Innovation and excellence

Since its establishment in 1997, adhering to the enterprise spirit of “professionalism and innovation”, the Group has been committed to creating differentiated products and bringing forth new products constantly, and promoted industrial upgrading and revolution in the field of cotton textile. The Group has invested a large amount of funds and resources in technological innovation and technological transformation. With our laboratories as the technical center, the Group has developed a number of new technologies and products with a focus on pure cotton products, including elastic pure cotton core-spun yarn series, high-end yarns and garment fabrics for knitting, through independent R&D and cooperation with renowned domestic and international fabric developers and research institutions. The Group expands market share with top-notch, superb, premium and advanced products, and actively explores a variety of functional fibers and new types of fibers, and spares no effort to promote environmentally friendly raw materials and contribute to sustainable environmental development.

The Group has been committed to product research and development and talent cultivation, and has established Texhong Education College\* (天虹教育學院), Texhong Group Yarn Research and Development Center\* (天虹集團紗線研發中心), Jiangsu Post-doctoral Innovation Practice Base\* (江蘇省博士後創新實踐基地), Texhong Group Retail Products Research and Development Center\* (天虹集團零售商品研發中心), etc. A number of the subsidiaries of the Group have obtained the certificates of high-tech enterprises, and together with China Textile Machinery\* (中紡機), have established the Textile Research Institute, which is a special core-covered yarn textile engineering center in Jiangsu Province.

The Group pays close attention to the protection of intellectual properties, keeps in view our patents, LOGO and trademarks, safeguards our legal rights and intellectual property rights, and maintains fair competition in the market. The Group observes relevant local laws and regulations, such as “Trademark Law of the People’s Republic of China”, “Patent Law of the People’s Republic of China”, “Regulation for the Implementation of Patent Law of the People’s Republic of China” and “Anti-Unfair Competition Law of the People’s Republic of China”, and complies with internal policies, such as the “Management Policy on Intellectual Property Rights”, “Management Policy on Transformation of Scientific and Technological Achievements”, “Incentive Measures on Transformation of Scientific and Technological Achievements” and “Management Policy on Research and Development Structure”. As of the end of 2020, the Group had 249 patents, including 55 invention patents, 183 utility model patents, and 11 software copyrights.

\* for identification purpose only

## 2. 產品與服務

### 2.1 創新卓越

自一九九七年成立以來，本集團秉持著「專業、創新」的企業精神，一直致力於打造差異化產品並不斷推陳出新，在棉紡織領域推動產業升級及變革。本集團在技術創新和技術改造上投入大量資金，以實驗室為技術中心，通過自主研究以及與國內外知名纖維開發商及研究機構的合作，開發了主要以純棉產品為主的多種新技術與新產品，包括純棉包芯彈力系列、高檔針織用紗和服裝面料等。本集團以高、精、尖、新等新產品佔領市場，積極探索多種功能性纖維和新型纖維，不遺餘力推進環保原料，助力環境可持續發展。

本集團一直致力於產品的研發和人才的培養，先後建立了天虹教育學院、天虹集團紗線研發中心、江蘇省博士後創新實踐基地、天虹集團零售商品研發中心等。本集團多家附屬公司獲得高新技術企業證書，並聯合中紡機設立紡織技術研究院，是江蘇省特種包芯紗紡織工程中心。

本集團十分關注知識產權保護，持續關注本集團專利、LOGO和商標，維護集團的合法權益和知識產權，以及市場的公平性競爭。本集團嚴格執行當地的相關法律法規，如《中華人民共和國商標法》、《中華人民共和國專利法》、《中華人民共和國專利法實施細則》和《中華人民共和國反不正當競爭法》等，並遵循包括《知識產權管理制度》、《科技成果轉化管理制度》、《科技成果轉化獎勵辦法》、《研發組織管理制度》等內部制度。截至二零二零年末，本集團擁有各類知識產權249件，其中，發明專利55件，實用新型183件，軟著11件。

2. PRODUCTS AND SERVICES (Continued)

2.2 Quality-oriented

The Group attaches great importance to product quality management and strictly complies with relevant local laws and regulations, such as the "Product Quality Law of the People's Republic of China", "Law of the People's Republic of China on the Protection of Consumers' Rights and Interests", and "National General Safety Technical Code for Textile Products". The Group has improved its internal systems such as the "Quality assurance structure", "Quality work manual", "Rules on order assessment and product modification", and "Rules on product manufacturing and warehousing". As at the end of 2020, five subsidiaries established an ISO 9001 quality management system and obtained third-party certification.

2. 產品與服務(續)

2.2 質量為本

本集團高度重視產品質量管理，嚴格遵守當地的相關法律法規，如《中華人民共和國產品質量法》、《中華人民共和國消費者權益保護法》和《國家紡織產品基本安全技術規範》等，完善內部《質保體系》、《質量工作手冊》、《訂單評審及品種翻改相關規定》、《產品生產、入庫相關規定》等制度體系。截至二零二零年末，共有五家附屬公司建立 ISO 9001 質量管理體系並通過第三方認證。



In order to ensure product quality, the Group has established a quality assurance inspection system and clearly defined the job responsibilities, inspection requirements, inspection frequency, etc. of each responsible person, and requires each inspector to conduct inspection for the purpose of solving problems and achieving effective control, and to supervise rectification and ensure quality.

With increased investment in technological instruments, the Group adopts advanced equipment for effective control over product quality and integrates quality management into the whole production process.

為保證產品質量，本集團搭建了質保檢查體系，明確各責任人崗位職責、檢查要求、檢查頻次等，要求各檢查人以解決問題、實現有效控制為目的檢查，督促整改，保證質量。

本集團加大科技設備的投入，借助先進的設備對產品質量進行有效地監控，將質量管理落實到產品生產的全過程。

## 2. PRODUCTS AND SERVICES (Continued)

### 2.2 Quality-oriented (Continued)

The Group complies with the requirements such as the “Quality management and shutdown policy” and “Rules on quality issue handling”. When the quality fluctuation reached a level that requires shutdown, for example, failure to meet internal control standards during raw materials inspection, production will be stopped immediately and relevant administrator will be notified to arrange rectification. The production can only be resumed once passing the inspection. Afterwards, the Group will impose cash and administrative penalties on the person in charge of quality assurance in light of the nature of the issue according to policies such as the “Responsibility and accountability policy for quality issues”.

The Group improved the operating skill level of our employees, strengthened the awareness of standard operation, and improved product quality through monthly quality analysis meetings, internal and external quality training sessions, operation competitions, etc.

In 2020, all subsidiaries of the Group stepped up efforts in quality control, enhanced the construction of quality assurance team, organized various relevant policies, and implemented quality management throughout the production process.

- Texhong Yinlong Textile Ltd. (“Texhong Yinlong”): In order to strengthen the quality control of the production process of products, on the basis of the existing cotton supply team and quality control team, Texhong Yinlong has also established a quality stability improvement team, a professional production team for denim series, a professional production team for knitting and elastic cotton products and a professional production team for open-end spinning, to control and monitor the product quality at all levels;

## 2. 產品與服務(續)

### 2.2 質量為本(續)

本集團遵循《質量管理關車制度》、《質量問題與措施相關規定》等規定，在質量波動至關車標準時，如原料檢驗中達不到內控標準等，立即停止生產，並通知相關管理員組織整改，驗收合格後方能開車。事後本集團會根據《質量問題責任追究制度》等制度按不同問題性質對質保負責人進行經濟和行政處罰。

本集團通過月度質量分析會、內外部質量培訓、操作比賽等形式來提升員工的操作技能水平、強化規範操作的意識，提高產品質量。

二零二零年，本集團各附屬公司加大質量把關力度，加強質保隊伍建設，梳理各項相關制度，在生產全過程落實質量管理工作。

- 天虹銀龍紡織有限公司(「天虹銀龍」): 為加強對產品生產過程的質量控制力度，在既有配棉小組和品控小組的基礎上，天虹銀龍又建立了質量穩定提升小組、牛仔系列品種生產專業小組、針織、棉彈品種專業生產小組及氣流紡生產專業小組，對產品質量進行層層控制和把關；



## 2. PRODUCTS AND SERVICES (Continued)

### 2.2 Quality-oriented (Continued)

- Jiangsu Century Texhong Textile Co., Ltd. (“Jiangsu Texhong”): In order to ensure quality stability, Jiangsu Texhong has formulated a series of quality tracking management system measures to stabilize various indicators in respect of yarn defect control, long-term variety indicator control, temperature and humidity (return) control and joint quality control of the white yarn system. In addition, Jiangsu Texhong organized middle-level management personnel to visit and learn from fellow subsidiaries in two batches, aiming to identify gaps, improve basic management and promote quality improvement.

## 2. 產品與服務(續)

### 2.2 質量為本(續)

- 江蘇世紀天虹紡織有限公司(「江蘇天虹」): 為保障質量穩定性, 就白紗體系的紗疵管控、長線品種指標管控、溫濕度(回潮)管控和接頭質量管控, 江蘇天虹制定了一系列質量跟蹤管理制度措施, 穩定各項指標; 此外, 江蘇天虹分兩批組織中層管理人員前往兄弟公司參觀學習, 旨在找差距, 提升基礎管理, 促進質量提升。



**Jiangsu Texhong: Fellow subsidiaries visit and study**  
江蘇天虹：兄弟公司參觀學習

In the previous random inspection conducted by the national, provincial and municipal technical supervision departments, the Group did not have any unqualified products. In 2020, the Group did not have any recall due to product safety and health issues.

在國家、省及市技術監督部門的歷次抽查中, 本集團未出現任何不合格產品。二零二零年, 本集團未發生因產品安全與健康問題而引起的召回事件。

### 2.3 Customer-oriented

Based in China, the Group continued to expand its overseas markets. With more than 5,000 customers worldwide, the Group has established long-term cooperative relationships with internationally renowned brands, covering Japan, Korea, Southeast Asia, the European Union, South America and North America. The continuous improvement of product quality has greatly enhanced user satisfaction and product awareness, enabling the Group to maintain its leading position in the market competition.

### 2.3 客戶導向

本集團立足國內, 不斷拓展海外市場, 擁有5,000多家全球客戶群, 覆蓋日本、韓國、東南亞、歐盟、南美、北美等地, 與國際知名品牌建立長期合作關係。不斷提高的產品質量極大地提升了用戶滿意度和產品知名度, 讓本集團在市場競爭中處於領先地位。



2. PRODUCTS AND SERVICES (Continued)

2.3 Customer-oriented (Continued)

2.3.1 Improvement of customer satisfaction

It is the solemn promise of Texhong to provide high-quality products and services within the specified time. "Consistent product quality to meet customers' needs" is the quality objective of the Group. The business philosophy of the Group is to expand market share with brand name and improve customer satisfaction. Consumers' opinions and suggestions would be analyzed comprehensively in order to improve the quality of products and services constantly and boost customer satisfaction in every possible way.

The Group assigns specific staff to different customers in order to handle their enquiries in a timely manner, including enquiries on order quality, quantity requirement, delivery schedule and customer feedback. Market intelligence department of the Group conducts biannual satisfaction surveys on major customers who have purchased the Group's products and invites them to complete "Customer Satisfaction Questionnaire". In accordance with aftersales quality management requirements, professionals of the Group offer all-rounded services for products sold and have been widely recognized by customers.

- Texhong Galaxy Technology Limited ("Texhong Galaxy"): Through video conferences and on-site visits, Texhong Galaxy regularly communicates with customers on improving product quality and service level to strengthen cooperation with customers;
- Jiangsu Texhong: We regularly invite key customers and new customers to visit the Company to exchange and discuss market demand and quality requirements to understand customers' needs and improve service satisfaction.

2. 產品與服務(續)

2.3 客戶導向(續)

2.3.1 提升客戶滿意

在規定的時間裏，提供優質的產品與服務，是天虹鄭重的承諾。「產品質量持續穩定，滿足客戶需要」是本集團的質量目標。本集團堅持企業的經營理念，以品牌拓市場、視客戶的滿意度為企業追求和目標，全面分析用戶的意見和建議，持續改進產品和服務質量，全方位提升客戶滿意度。

本集團針對不同的客戶安排專門的對接人員，及時處理客戶提出的各項問題，包括：訂單質量、數量要求、交期及客戶反饋的及時處理。本集團市場信息部每半年對購買本集團產品的主要客戶進行滿意度調查，邀請客戶填寫《客戶滿意度調查表》。本集團的專業技術人才按照質量售後管理要求，對出售產品進行全方位服務，獲得了客戶的廣泛認可。

- 天虹銀河科技有限公司(「天虹銀河」)：以視頻會議和現場走訪的形式，與客戶就改善產品質量、提升服務水平進行定期交流溝通，加固與客戶的合作關係；
- 江蘇天虹：定期邀請重點客戶和新客戶蒞臨公司參觀，就市場需求及質量要求進行交流和討論，以了解客戶的需求，提升服務滿意度。



Jiangsu Texhong: Invited customers to visit the Company  
江蘇天虹：邀請客戶蒞臨公司參觀

## 2. PRODUCTS AND SERVICES (Continued)

### 2.3 Customer-oriented (Continued)

#### 2.3.2 Customer complaints

The Group strictly adheres to the relevant local laws and regulations, such as the “Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests” to prepare documents like “Flow chart on the handling of quality feedback from customers on yarns of the Group” to ensure speedy and effective resolution for quality issue reported by customers. Each subsidiary has also established corresponding customer service policies documents. For example, Taltex (Zhuhai) Co., Ltd. (“Taltex (Zhuhai)”) issued the policy on “Aftersale Customer Service” to standardize the handling procedures. The Group registers and records every enquiry and requirement on quality raised by customers. For handling customer complaints, we meet with relevant staff to analyze the cause and identify responsible department to devise and implement countermeasures. Reply to customer, handling and record will be made within 20 days.

The quality department of the Group categorizes customer feedback and analyzes pending issues, followed by the preparation of after-sales service report. Customer service managers of the Group are responsible for supervising and examining after-sales services and providing monthly and annual report to after-sales service department at the headquarters. Customer visits are arranged for the general manager of the Group, if necessary.

#### 2.3.3 Customer privacy protection

Recognizing the importance of customer relations and respecting the privacy of every customer, the Group actively safeguards the privacy and security of each customer. For instance, Shandong Texhong Textile Co., Ltd. (“Shandong Texhong”) requires employees who disclose without authorization any customer, technology and other confidential information in relation to business operation or internal department operation shall be put on probation and it may result in termination of employment contract in a serious case.

## 2. 產品與服務(續)

### 2.3 客戶導向(續)

#### 2.3.2 客戶投訴處理

本集團嚴格按照當地的相關法律法規，如《中華人民共和國消費者權益保護法》等要求，編制了《集團紗線客戶質量反饋處理流程圖》等流程文件，以保證客戶反饋的質量問題得到及時、有效的解決。各附屬公司也建立了對應的客戶服務制度文件，如聯業織染(珠海)有限公司(「珠海聯業」)發佈《客戶售後服務》文件以規範客訴處理流程。本集團對客戶提出的質量問題和要求進行逐條登記，並做好記錄，根據匯報情況，召集有關人員分析原因，確定責任部門，研究處理辦法並予以實施，同時在20日內給客戶答覆，並處理和記錄。

本集團品質部對收集的客戶反饋信息進行整理分類，分析存在的問題，並編寫售後服務報告。客服經理負責監督檢查售後服務工作，對售後服務工作進行月度小結和年末總結，必要時安排集團總經理進行客戶走訪。

#### 2.3.3 客戶隱私保護

本集團重視與客戶的關係，尊重每個客戶的隱私權，積極地維護每個客戶的隱私與安全。例如，山東天虹紡織有限公司(「山東天虹」)規定未經批准向他人洩漏與公司業務經營或公司內各部門業務有關的客戶、技術和其他有關公司保密信息的員工會改為試用工，造成嚴重後果的則與其解除勞動合同。

## 2. PRODUCTS AND SERVICES (Continued)

### 2.4 Win-win cooperation

The Group considers the enhancement of social responsibility performance of suppliers a fundamental task and obligation of supply chain management. Through visits and exchange, we promote the Group's spirit of anti-unfair competition, respect for intellectual property and anti-bribery to every part of the supply chain. The Group has established guidelines such as "Regulation on the Management of Procurement Operation of Daily Supplies of Subsidiaries" and "Regulation on the Procurement of Certain Supplies of the Headquarter and Texhong China" to regulate the supply chain system. Moreover, the Group integrates the spirit of environmental and social sustainability into the management of supply chain:

- Logistic contract: in case of newly signed or renewed contracts, certain clauses in relation to the requirements of environmental and social sustainability will be added, which is legally binding on the cooperating parties.
- Assessment policy: certain terms in relation to environmental and social sustainability (refinement and quantification of contract requirements) are added to the existing assessment system of transportation company as a regular management tool.

In 2020, subsidiaries of the Group conveyed the concepts of environmental protection, energy saving and sustainable management to suppliers through visits to suppliers, communication with the suppliers and site inspections, and encouraged suppliers to adopt environmental-friendly products, use energy efficiently, and give attention to the supplier's employee rights protection so as to continuously improve environmental and social performance:

- Shandong Texhong: Priority is given to the procurement of environmentally friendly adhesive to reduce carbon emissions and impact on water resources, and reduce pollution to the environment;

## 2. 產品與服務(續)

### 2.4 合作共贏

本集團把推動供應商履行社會責任作為供應鏈管理的一項基本責任和義務，通過訪問與交流，把本集團的反不正當競爭、尊重知識產權以及反對商業賄賂等信息傳遞到供應鏈的各個環節。本集團制定了《關於集團附屬公司常用物資採購操作管理的規定》和《集團總部暨天紡中國部分物資的採購規定》等指引以監管供應鏈管理制度。此外，本集團將環境和社會可持續發展精神引入供應鏈管理中：

- 物流合同：在新簽或續簽的雙方合同中增加與環境和社會可持續發展要求有關的若干條款，對合作的公司有約束性。
- 考核制度：在現有對運輸公司的考核制度中補充若干與環境和社會可持續發展相關的條款(細化量化合同的要求)，作為常態化管理工具。

二零二零年，本集團附屬公司通過供應商走訪、供應商交流、實地考察等形式，向供應商傳遞環保節能、可持續管理等理念，鼓勵供應商採用環保產品、高效用能，同時關注供應商的員工權益保障，持續提高環境和社會績效：

- 山東天虹：優先採購環保黏膠，以降低碳排放和對水資源的影響，減少對環境的污染；

2. PRODUCTS AND SERVICES (Continued)

2.4 Win-win cooperation (Continued)

- Texhong Yinlong: Encouraging packaging suppliers to actively carry out the recycling of scrap materials and defective raw materials, and requiring suppliers to handle waste paper, defective products and waste in compliance with regulations. Communicate the implementation of the Company's environmental protection assessment with paper tube manufacturing suppliers on site, and promote environmental awareness and corporate responsibility. We understand the information of employee management from suppliers and emphasize the remuneration and working hours of compliance management employees;
- Jiangsu Texhong: For contracted transportation suppliers, all of them are required to adopt environmentally friendly electric trailers and forklifts. For main auxiliary machinery suppliers, all of their motors are required to be national energy-saving products and meet the high-efficiency motor standards of the National Development and Reform Commission of the PRC.

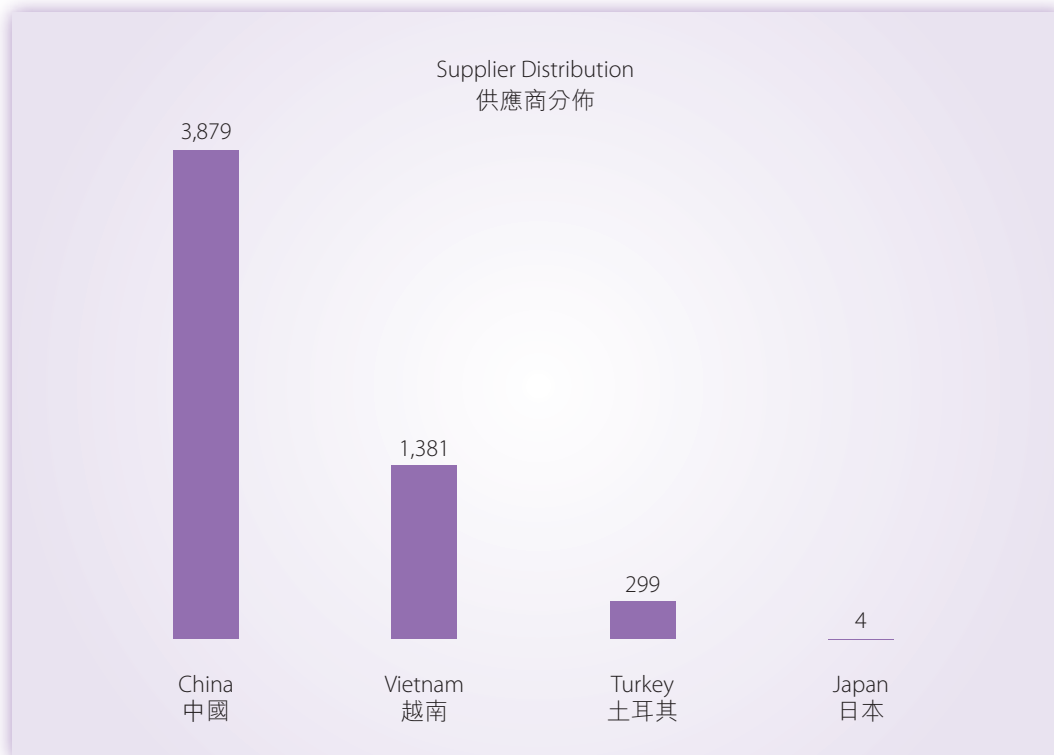
As at the end of 2020, the Group had a total of 5,563 suppliers. The distribution of suppliers by geographical region is as follows:

2. 產品與服務(續)

2.4 合作共贏(續)

- 天虹銀龍：鼓勵包裝供應商積極開展邊角料及次品原料的再生利用，要求供應商合規處理廢紙、次品和廢料；與紙管供應商現場溝通公司環保評估執行情況，並宣傳環保意識及企業責任；向供應商了解員工管理方面信息，強調合規管理員工薪酬和工作時間；
- 江蘇天虹：對承包運輸供應商，要求其全部採用環保的電動拖車和叉車；對主輔機供應商，要求其配置的電機全部為國家節能產品，滿足中國國家發改委的高效電機標準。

截至二零二零年末，本集團共有供應商5,563家，按地域劃分的供應商分佈如下：





3. RESOURCES AND ENVIRONMENT

3. 資源與環境



**ISO14001 Environmental Management System Certificate of  
Texhong Winnitex Vietnam**  
天虹慶業越南ISO14001  
環境管理體系證書

As one of the top 10 most competitive enterprises in China's cotton textile industry, the Group concerns about environmental protection with respect for nature, and considers sincere contribution and service to the society as its corporate mission and fulfils corporate responsibility with wisdom and actions.

In active response to the fundamental national policy of "Environmental protection" and the urge for accelerating the development of a "Conservation-oriented society", the Group has paid close attention to internal environmental management, organized energy management network, clarified the responsibilities of management personnel at all levels, and improved energy quota management and energy inspection, analysis and implementation system. All subsidiaries actively implemented the national laws and regulations as well as internal policies of the Group, revised the system and policies every year, and promoted environmental management and energy conservation and emission reduction to embark on the path of green manufacturing and sustainable development.

作為中國棉紡織行業競爭力前十強企業，本集團注重環保，崇尚自然，並以真誠回饋和服務於社會為企業使命，用智慧和行動展現企業擔當。

本集團積極響應國家「保護環境」的基本國策及加快建設「節約型社會」的要求，狠抓內部環境管理，梳理能耗管理網絡，明確各級管理人員的職責，健全能源定額管理和能源檢查、分析和落實制度；各附屬公司積極落實各國家法律法規及本集團內部制度，每年修訂制度政策，推動環境管理和節能減排工作，走綠色製造、永續發展路線。



### 3. RESOURCES AND ENVIRONMENT (Continued)

The Group advocates clean production and pursues environmental and economic benefits by reducing pollutant emissions, improving energy utilization and reducing material consumption. The Group and its subsidiaries continuously improve their environmental management system and conduct energy audits regularly to assess the rationality of energy use and tap the potential for improving energy conservation. In 2020, five subsidiaries of the Group passed the environmental management system certification and four subsidiaries of the Group conducted energy audit.

The Group has formulated the following green operation objectives according to the sustainable development strategy to guide the Group's sustainable development direction and planning:

- Improve the utilization efficiency of energy and water resources
- Reduction of GHG emissions intensity
- Hazardous and non-hazardous waste disposal in compliance

#### 3.1 Resource Conservation

Circular economy is a new strategy of economic growth. Developing a circular economy and building a resource-saving enterprise are important parts of the Group's sustainable development strategy. The Group and its subsidiaries comply with relevant local laws and regulations such as the "Energy Conservation Law of the People's Republic of China" and "Water Law of the People's Republic of China", as well as the Group's normative documents such as the "Energy Management Implementation Details", "Measures for Peak-and-trough Electricity Consumption and Management for Management Staff" and "Operation Standard for Cooling Equipment in a Workshop in Summer" to enhance resource management, facilitate integrated use of resources and promote waste recycling, with an aim to become an efficient, conserving and energy-saving pioneer.

### 3. 資源與環境(續)

本集團主張清潔生產，通過減少污染物排放、提高能源利用率、減少物料消耗等手段，追求環境與經濟雙收益。本集團及其附屬公司持續完善環境管理體系，並進行定期能源審計，評估能源利用合理性，挖掘節能改進潛力。二零二零年，本集團共有五家附屬公司通過環境管理體系認證，本集團有四家附屬公司開展了能源審計。

本集團根據可持續發展戰略制定了以下綠色運營目標，以指導集團的可持續發展方向和規劃：

- 提高能源和水資源的利用效率
- 減少溫室氣體的排放強度
- 合規處理有害與無害廢棄物

#### 3.1 資源節約

循環經濟是一種新型的經濟增長方式，發展循環經濟、建設資源節約型企業是本集團可持續發展戰略的重要部分。本集團及各附屬公司遵循當地的相關法律法規，如《中華人民共和國節約能源法》、《中華人民共和國水法》等及集團《能源管理實施細則》、《管理人員峰平谷用電管理考核辦法》、《車間夏季降溫設備啓用標準》等規範性文件，加強資源管理，促進資源綜合利用，推動廢棄物循環使用，以成為高效、勤儉和節能的領路人。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.1 Energy management

Focusing on the green operation objectives of “improving utilization efficiency of energy and water”, the Group and its subsidiaries continuously strengthen their energy management systems and strengthen energy management energy efficiency has been effectively improved:

- Continuously improve the energy management policy by installing more energy measure instrument, set energy target and energy consumption standard, and conduct energy efficiency assessment;
- Step up analysis on the efficiency of the energy-consuming equipment in order to enhance their operational efficiency for energy saving;
- Designate management unit and personnel for energy conservation, build a stronger team of energy-saving workers, and strengthen energy-saving training;
- Conduct analysis on the energy consumption to identify any insufficiency of our energy management in a timely manner with a view to raising our energy management capacity;
- Intensify monitoring of the quality of parts and components to improve the quality of maintenance and repair. Identify and fix any possible malfunction of equipment in a timely manner to ensure that equipment is always in good technological condition. Actively eliminate energy-inefficient equipment to enhance the energy efficiency.

### 3. 資源與環境 (續)

#### 3.1 資源節約 (續)

##### 3.1.1 能源管理

圍繞「提高能源和水資源的利用效率」這一綠色運營目標，本集團及各附屬公司持續完善能源管理制度和體制，加強能源管理，能源利用效率得到了有效地提升：

- 持續優化能源管理制度，加強能源計量器具的配置，設立能源目標及能耗標準，並開展能耗指標考核；
- 繼續加強用能設備的效率分析工作，以提高設備運行效率，達到節能降耗的目的；
- 明確節能的管理部門與人員，充實節能工作隊伍，加強節能培訓；
- 開展能源利用狀況分析，及時發現能源管理過程中的不足，提高能源管理水平；
- 嚴格對機配件的質量進行把關，不斷提高維護維修的工作質量；及時發現和排除設備故障隱患，確保設備經常處於良好的技術狀態；積極淘汰高能耗落後設備，以提高能源利用率。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.1 Energy management (Continued)

- Shandong Texhong: In 2020, in order to further optimize energy measurement and statistics, the Company formulated and implemented various normative systems in energy conservation and energy measurement, such as the "Reward and Punishment System for Energy Conservation Management", "Responsibility for Energy Measurement Management", "Training and Assessment Management System for Energy Measurement Personnel", "Use of Energy Measurement Instruments and Maintenance of Management System", etc., and organized trainings and examinations for relevant personnel. The Company also holds energy utilization analysis meetings from time to time to train energy management personnel.

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.1 能源管理(續)

- 山東天虹：二零二零年，為進一步優化能源計量與統計，制定並實施了能源節約和能源計量方面的各種規範性制度，如《能源節約管理獎懲制度》、《能源計量管理職責》、《能源計量人員配備培訓和考核管理制度》、《能源計量器具的配備使用和維護管理制度》等，並組織有關人員的培訓與考試。公司還不定期召開能源利用分析會，對能源管理有關人員進行培訓。



**Shandong Texhong: Energy utilization analysis meeting**

山東天虹：能源利用分析會

- Shandong Lanyan: Establish and improve the position responsibility system and management system, organize balance test and energy performance assessment to continuously improve energy performance and strengthen energy conservation management. In addition, the Company launched the "Basic Management of Fabric Production and Energy Conservation and Consumption Reduction Project" to strengthen the awareness of energy conservation and consumption reduction, and strengthen the publicity, education and training;
- 山東蘭雁：建立並完善崗位責任制和管理制度，組織水平衡測試和能源績效考核，以持續提升能源績效，強化節能管理。此外，公司開展《面料生產基礎管理與節能降耗課題》，以強化節能降耗意識，加強宣傳教育培訓；

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.1 Energy management (Continued)

- Zhejiang Qing Mao: Provide employees with education and training on energy conservation and environmental protection on a regular basis, and setting annual consumption reduction targets for energy and conducting annual assessment, which are basically completed in 2020. In addition, the Company also participated in the Clean by design clean-up project, Zero Discharge of Hazardous Chemicals Program (ZDHC) and self-assessment tool Higg Index training, which jointly initiated by the Natural Resources Defense Council and the American Fashion Design Council to enhance employees' awareness of environmental protection and energy conservation and knowledge reserve.

##### *Technical renovation and equipment replacement*

In 2020, the Group and its subsidiaries continued to invest significant resources to promote energy saving by transforming inverter updating equipment, optimizing process and other means:

- Texhong Galaxy: Replace the dust removal device with the operation of the converter controlled by the negative pressure switch. After the transformation, the frequency of the converter is reduced to the level below 45HZ, which can save the current of 9A per unit. One motor controls two full-yarn depots, reducing electricity consumption by half. In addition, Texhong Galaxy also reasonably adjusted the frequency of the wind turbines in air conditioners and controlled the temperature of each process to save cold source, which achieved significant energy saving performance;
- Shandong Texhong: Far transmission pressure meters were installed for production water, and pressure signals were used to control the frequency of operation of converters. According to the pressure of the pipeline network, the frequency of operation of converters was adjusted in real time, which stabilized the pressure of the water supply pipeline network. It is estimated that the power saving rate of the project can be around 5%.

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.1 能源管理(續)

- 浙江慶茂：定期為員工提供有關節能環保方面的教育、培訓，並針對能源制定年度降耗目標並進行年度考核，二零二零年的目標基本完成；此外，公司亦參加由自然資源保護協會和美國時裝設計理事會聯合發起的Clean by design清潔項目、零排放危險化學品(ZDHC)計劃、自我評估工具Higg Index培訓，提高員工環保節能意識和知識儲備。

##### *技改與設備更新*

二零二零年，本集團及各附屬公司繼續投入大量資源，依靠變頻器改造、設備更新、工藝優化等各種手段助推節能降耗：

- 天虹銀河：將清花除塵裝置改為由負壓開關控制變頻器運行，改造後開變頻器頻率降低到45HZ以下的較低水平，每台可節約電流9A；三分廠滿紗庫改由一台電機控制兩個滿紗庫，將用電量減半。此外，天虹銀河還合理調整空調送回風機頻率，控制各工序溫度節省冷源，達到了明顯的節能效果；
- 山東天虹：給生產用水均安裝遠傳壓力錶，用壓力信號控制變頻器運轉頻率，根據設定的管網壓力，實時調節變頻器運轉頻率，穩定了用水管網的壓力。經測算，該項目節電率可達5%左右。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.1 Energy management (Continued)

###### *Technical renovation and equipment replacement (Continued)*

- Texhong Yinfeng: Transformed the spray system of air-conditioning room, gradually phased out old nozzles, replaced high-efficiency energy-saving nozzles, and significantly reduced the number of nozzles of each sprinkler system, with a power saving rate of 10%. In addition, Texhong Yinfeng also carried out renovation projects such as the update of the automatic control system for capacitor compensation, the cooling transformation of transformer room, and the addition of heat dissipation fan in the coarse yarn control cabinet to save energy and reduce consumption;
- Taltex (Zhuhai): Implemented the technological transformation of low-energy-consuming equipment for dyeing and finishing processes, dismantled the old equipment that had been eliminated, introduced new energy-saving and environmental-friendly dyeing machines, setting machine equipment and supporting wet-drying machines to achieve the technological transformation of low-energy-consuming equipment for dyeing and finishing processes of high-end knitted fabrics. After the completion and operation of the energy-saving renovation project, the annual comprehensive energy consumption can be reduced by 1,375 tons of standard coal;

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.1 能源管理(續)

###### *技改與設備更新(續)*

- 天虹銀豐：對空調室噴淋系統進行改造，逐步淘汰老式噴嘴，更換高效節能噴嘴，並大幅度減少每套噴淋系統噴嘴數量，節電率達到10%；此外，天虹銀豐還進行了電容補償自動控制系統更新、變壓器室降溫改造、粗紗控制櫃增加散熱風機等改造項目，節能降耗；
- 珠海聯業：實施染整工藝低能耗設備技術改造，拆除淘汰的舊設備，引進新型節能環保染色機、定型機設備以及配套濕割機查布機等，實現高檔針織面料染整工藝低能耗設備技術改造。該節能改造項目建成投產後年綜合能源消費可降低1,375噸標煤；



3. RESOURCES AND ENVIRONMENT (Continued)

3.1 Resource Conservation (Continued)

3.1.1 Energy management (Continued)

Technical renovation and equipment replacement (Continued)

- Texhong Renze: Install converters for dust removal machines to reduce the frequency of main motors while meeting production requirements. Relieve valves were also installed on the main pipelines of the vehicles to reduce air pressure, so as to achieve power-saving effect.

3. 資源與環境 (續)

3.1 資源節約 (續)

3.1.1 能源管理 (續)

技改與設備更新 (續)

- 天虹仁澤：給除塵機安裝變頻器，在滿足生產要求的前提下，降低主電機的頻率；在並條車總管道上安裝減壓閥，調低氣壓，從而達到節電效果。



Converter  
變頻器



Relieve valve  
減壓閥

Green office practices

In daily operations, the Group advocates green office, truly encourages our employees to practice energy conservation in work and life, and not only evangelizes the practice of energy conservation but also becomes conscientiously active in energy conservation:

- Establish the on/off time for lighting system in office and living areas in different time slots and seasons. Switch off the lighting system when there is sufficient daylight. Switch off the lighting system at appropriate time after use at night;
- Switch off electronic equipment not in use in office areas;
- Implement independent control over circuits for lighting systems and sockets in staff quarter areas etc.

綠色辦公實踐

日常運營中，本集團主張綠色辦公，將節能真正融入到員工日常工作和生活中，使節能實踐變為自覺行動：

- 確定辦公和生活區域內照明各時間段及不同季節的開關時間，白天在光照充足的時候杜絕使用照明燈，夜間使用照明燈後，及時關閉；
- 辦公區域配備的電器在不使用的情况下，及時關閉電源；
- 分路分時控制宿舍區的照明和插座等線路等。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.1 Energy management (Continued)

###### Green office practices (Continued)

In 2020, the Group and its subsidiaries actively promoted the concept of energy conservation through promotion and education to raise employees' awareness of energy saving:

- Texhong Yinfeng held an energy-saving promotion week and low-carbon experience day to promote the concept of energy conservation and disseminate energy-saving knowledge;
- Xuzhou Texhong Yinlian Textile Co., Ltd. ("Texhong Yinlian"): Carried out rational suggestions and technological innovation activities to encourage employees to give full play to their creativity and actively participate in the reduction of consumption.

##### 3.1.2 Water resources management

Focusing on the green operation objectives of "improving utilization efficiency of energy and water", and to become a water-saving enterprise, the Group actively nurtures the culture of water conservation by encouraging employees to develop the water-saving habit:

- Use water saving productions and implement water recycling;
- Turn off taps after use;
- Check the water pipes regularly to avoid water leakage and prevent any unintended use of water;
- Install separate water metres in office, living and production areas and assign dedicated staff to record monthly water consumption and analyze the data collected from each department.

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.1 能源管理(續)

###### 綠色辦公實踐(續)

二零二零年，本集團及各附屬公司通過宣傳教育等形式積極傳播節能理念，提高員工節能意識：

- 天虹銀豐開展節能宣傳周和低碳體驗日活動，傳播節能理念並普及節能知識；
- 徐州天虹銀聯紡織有限公司（「天虹銀聯」）開展合理化建議和技術創新活動，鼓勵員工發揮創意，積極參與到降低消耗的行動當中。

##### 3.1.2 水資源管理

圍繞「提高能源和水資源的利用效率」這一綠色運營目標，集團積極營造節水氛圍，鼓勵員工養成節水習慣，打造節水型企業：

- 使用節水型產品，實施水資源的重複利用；
- 要求用水完畢後，及時關閉水龍頭；
- 定期檢查水管，避免漏水情況，杜絕長流水現象發生；
- 辦公區、生活區、生產區和施工現場各設獨立水錶，由專人負責進行登記，每月根據各部用水量的記錄進行數據分析。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.2 Water resources management (Continued)

In 2020, subsidiaries of the Group adopted a range of measures, such as fixed water usage standards installation of water-saving equipment, technological innovation, self and mutual inspections, training and education, with remarkable results:

- Texhong Galaxy: Division and management of the regional responsibility for domestic water use, use the quota, and avoid waste caused by the absence of responsible person management. For water production, we strengthen water management and reduce time in brushing the pool. Texhong Galaxy also conducts 6S self-inspection and mutual inspection on a weekly and monthly basis, and gives strict criticism, training and assessment on waste behavior to improve employees' awareness of conservation;
- Texhong Yinlian: An underground water storage tank has been built in the factory zone to store and recycle the waste water generated from the temperature and humidity adjustment of the air-conditioning room, and used for green irrigation to achieve the recycling of water sources. A responsibility letter was signed with each dormitory to fix the water consumption standard. Independent water meters are used in office areas, living areas, production areas, etc., and designated personnel are responsible for registration, and data analysis is conducted on a monthly basis according to the records of water consumption of each department;
- Texhong Yinlong: Renovation of production and fire-fighting water, introducing the rain water pipe of the shed into the cooling water tank of the production, fire-fighting and central cooling station, so as to save the water consumption of production and fire-fighting tap water;

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.2 水資源管理(續)

二零二零年，本集團各附屬公司廣泛採取包括固定用水標準、安裝節水設備、技術改造、自查互查、培訓教育等措施，效果顯著：

- 天虹銀河：對生活用水進行區域責任劃分管理，定額使用，避免因無責任人管理而導致浪費的行為；對生產用水，加強用水管理，減少刷水池時間節約用水。天虹銀河還每周、每月進行6S自查和互查，對於浪費行為進行嚴厲批評、培訓、考核，提高員工的節約意識；
- 天虹銀聯：在廠區建造了一個地下蓄水池，存儲及回收空調室調節車間溫濕度產生的廢水，用於綠化澆灌，以實現水源的循環利用；與每一間宿舍簽訂責任書，固定用水標準；辦公區、生活區、生產區等處採取獨立水錶，由專人負責進行登記，每月根據各部用水量的記錄進行數據分析；
- 天虹銀龍：對生產、消防用水進行改造，將車棚雨水管引入生產、消防、中心製冷站冷卻水池，以節約生產、消防自來水用水量；

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.1 Resource Conservation (Continued)

##### 3.1.2 Water resources management (Continued)

- Jiangsu Texhong: The Company conducted water-drawing renovation for the “Texhong Lake” in the factory zone, introducing the lake water into the production pipeline network through water pumps, and the lake water is transported to each production water unit (air-conditioning room) through the pipeline network. After heat exchange in the air-conditioning room, the lake water is discharged into the rain water pipe network in the factory zone, and then returned to the lake through the rain water pipe network, so as to achieve the purpose of recycling.

### 3. 資源與環境(續)

#### 3.1 資源節約(續)

##### 3.1.2 水資源管理(續)

- 江蘇天虹：對廠區內「天虹湖」進行取水改造，通過潛水泵將湖水引入生產管網，湖水通過管網輸送到每個生產用水單元（空調室），湖水在空調室進行熱交換後，排入廠區內雨水管網，通過雨水管網再回到湖內，以此達到循環利用的目的。



**Jiangsu Texhong:**  
**“Texhong Lake” water-drawing renovation**  
江蘇天虹：「天虹湖」取水改造

##### 3.1.3 Packaging management

The Group continuously monitors the consumption of packaging materials and recycles and reuses the materials in a reasonable manner to facilitate more efficient use of packaging materials. In 2020, the Group and its subsidiaries continued to explore the possibility of recycling packaging materials and make efforts to reduce consumption.

##### 3.1.3 包裝管理

本集團持續監控包裝材料的用量，對其進行合理的回收與再利用，提高包裝材料使用效率。二零二零年，本集團及附屬公司繼續挖掘包裝材料循環利用的空間，努力降低消耗量。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.2 Emission In Compliance

The Group and its subsidiaries actively adopt emission reduction measures and strictly comply with the requirements of relevant local laws and regulations, such as the "Environmental Protection Law of the People's Republic of China", "Water Pollution Prevention and Control Law of the People's Republic of China" and "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" to strengthen prevention from the source, process control and terminal treatment and reduce environmental impacts arising from pollutants such as production effluent and domestic sewage, exhaust and wastes.

The Group has not committed any environmental violation in the past three years. In 2020, Texhong Yinlian met the provincial "Cleaner production" testing standards.

##### 3.2.1 Effluent Management

The Group requires separate treatment for production effluent and domestic sewage:

- Production effluent is reused or, if not reusable, directly discharged to the sewage pipeline of factory zone and discharged up to standard after passing through the sewage treatment device;
- Processed by the biological treatment system of the factory zone, domestic sewage will meet the first grade emission standard and be transported to the municipal wastewater treatment system through the sewage pipeline of the factory zone.

In 2020, the Group and its subsidiaries took a number of measures such as comprehensive inspection and facility renovation to reduce effluent discharge, for example, Texhong Renze cleans all the wastewater shade wells and filter sewage pools throughout the factory zone every day, and installs sewage filtering instruments at two sewage exits to clear the suspended solids in the sewage.

### 3. 資源與環境 (續)

#### 3.2 合規排放

本集團及各附屬公司積極採取減排措施，嚴格遵守當地的相關法律法規，如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》和《中華人民共和國固體廢物污染環境防治法》等規定，加強源頭預防、過程控制與末端處理，減少集團生產廢水和生活污水、廢氣和廢棄物等排放物所帶來的環境影響。

本集團近三年內無環保違規行為。二零二零年，天虹銀聯達到了省級「清潔生產」檢測標準。

##### 3.2.1 廢水管理

本集團要求對生產廢水和生活污水進行分別處理：

- 生產廢水循環使用，不能循環使用的直接排入廠區內的污水管道，並經過污水處理裝置後達標排放；
- 生活污水經廠區內的生化處理裝置生化處理後，達一級排放標準後排入廠區污水管道，最終進入市政污水管網統一處理。

二零二零年，本集團及各附屬公司採取全面排查、設施改造等多項措施，加強污水質量把關工作，減少廢水排放，如天虹仁澤每天對整個廠區所有污水陰井和過濾污水池進行清理工作，並在兩個污水出口處安裝污水過濾儀器，以清理污水中的懸浮物。



### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.2 Emission In Compliance (Continued)

##### 3.2.2 Exhaust Gas Management

The Group primarily produces fiber dusts and boiler exhaust in production process. To minimize the negative environmental impact of fiber dusts, the Group requires workshops to close windows during production for close operation. The Group installs dust removal units in every workshop to handle fiber dusts to reduce exhaust emission.

In 2020, subsidiaries of the Group actively worked on technical renovation projects and equipment replacement. In order to further reduce pollutant emissions, Nantong Texhong increased investment in 2020, increased environmental protection facilities and emission testing projects, shortened the maintenance and replacement cycle of pollution control equipment, and ensured the efficient operation of equipment.

##### 3.2.3 Waste disposal

The Group primarily produces waste cotton, office and domestic waste, waste equipment parts and components and oily waste yarns in the production process. The Group has prepared notices such as “Notice on Enhancing Customized Placement of Rubbish Bin and Classified Management” and “Notice on Enhancing Management and Classified Deposit of Industrial Waste and Domestic Waste”, bringing classified management of domestic waste and industrial waste into the scope of enterprise management and requiring classified collection of the abovementioned solid waste. According to these documents, the Group separates the said solid waste and stores such waste by category in the temporary deposit zone of factory where a banner is hanged and category, volume and storage period are displayed. Waste from the production process, such as cotton waste, can be reused as raw material, while the remaining scrap cotton and impurities are collected for sale and integrated use. For hazardous waste produced by the Group, these wastes will undergo a detoxification treatment by a competent organization and general waste such as domestic waste will be handled by the local collection authority.

### 3. 資源與環境(續)

#### 3.2 合規排放(續)

##### 3.2.2 廢氣管理

本集團在生產過程中產生的廢氣主要為纖維粉塵和鍋爐廢氣。為避免纖維粉塵對環境帶來不利影響，集團要求車間生產時段不得對外開啓門窗，做到封閉作業。本集團還在各車間安裝除塵機組淨化處理纖維粉塵，減少廢氣的排放。

二零二零年，本集團各附屬公司積極開展技改項目和設備換新。為進一步減少污染物排放，南通天虹在二零二零年內加大投資，增加環保設施和排放物檢測項目，縮短治污設備保養及更換周期，確保設備的高效運行。

##### 3.2.3 廢棄物管理

本集團生產過程中主要產生的廢棄物為廢棉、辦公和生活垃圾、設備廢零部件和含油廢棉紗。本集團制定了《關於加強垃圾桶定制定位和分類管理的通知》和《關於加強工業垃圾、生活垃圾管理和歸類放置的通知》等文件，將生活垃圾和工業垃圾分類管理納入企業管理範疇，要求對上述固體廢物進行分類收集，按照類別存放在廠內臨時暫存點，並在暫存點豎立標識，標明種類、數量及存放時期。生產過程中產生的回花等廢料可回用作為項目原料，剩餘的廢棉和雜質經收集後進行外售綜合利用；危險廢棄物按照要求委託有資質的單位進行無害化處理；生活垃圾等一般固體廢棄物由環衛處統一進行處理。

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.2 Emission In Compliance (Continued)

##### 3.2.3 Waste disposal (Continued)

In 2020, subsidiaries of the Group reduced waste generation through measures such as reduction of consumables, production process modification, facility renovation, promotion and training to employees, for example, Nantong Texhong continued to increase investment in research and development, and improved the process level and production rate of raw material processing from the aspects of process improvement, equipment upgrade and transformation, process indicator optimization, and process data centralized control and analysis, so as to reduce the production of waste cotton.

#### 3.3 Response to Climate Change

The Group is well aware that the textile industry is an important part of industries, and textile enterprises play an important role in tackling climate change. The Group regularly analyzes and reviews the risks and opportunities of climate change to ensure the effective operation of the power supply and water system in the factories of each subsidiary and reduce the possible impact of natural disasters such as typhoons and floods; supports the green and low-carbon circular development model. Through green technological innovation, recycling of resources, and use of environmentally-friendly raw materials, the Group addresses climate change in all aspects of production and operation, so as to promote a positive interaction between ecology and industry development; and will pay attention to the trend of climate change and the direction of changes in domestic and foreign policies, and continue to explore climate-related opportunities and improve our response measures.

### 3. 資源與環境 (續)

#### 3.2 合規排放 (續)

##### 3.2.3 廢棄物管理 (續)

二零二零年，本集團各附屬公司通過減少耗材、工藝改造、設施更新、宣傳培訓等措施，減少廢物產生，如南通天虹不斷加大研發投入，從工藝改進、設備升級改造、工藝指標優化、工藝數據集中控制分析等方面入手，提高了原料加工工藝水平和製成率，從而減少廢棉的產生。

#### 3.3 應對氣候變化

本集團深知，紡織業是工業的重要組成部分，紡織企業在應對氣候變化中扮演著重要角色。本集團定期對氣候變化的風險與機會進行分析和檢討，以確保各附屬公司工廠供電及水系統有效運作，降低可能因颱風、洪水等自然災害而受到的影響；支持綠色低碳循環發展模式，通過綠色技術創新、資源循環利用、採用環保原料等手段，將應對氣候變化落實到生產經營的方方面面，以推動生態與行業發展的良性互動格局；關注氣候變化趨勢以及國內外政策變化方向，並持續挖掘氣候相關機會，完善應對措施。

# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3. RESOURCES AND ENVIRONMENT (Continued)

## 3. 資源與環境(續)

### 3.3 Response to Climate Change (Continued)

### 3.3 應對氣候變化(續)

Risk Type 風險類型	Climate-related Risks 風險描述	Potential Financial Impact 潛在財務影響	Opportunity Type 機遇類型	Climate-related Opportunities 機遇描述	Potential Financial Impact 潛在財務影響
Transition 轉型	Existing Environmental Laws and Regulations 現有環保法律法規	Operating costs ▲ Asset value ▼ 運營成本▲ 資產價值▼	Energy sources 能源來源	Use of clean energy 採用清潔能源	Operating costs ▼ 運營成本▼
	Low-carbon Economic Transformation 低碳經濟轉型	Capital investment ▲ Research and development expenses ▲ Asset value ▼ 資本投資▲ 研發費用▲ 資產價值▼	Resource efficiency 資源效率	Develop new research and development and new processes 開發新研發、新工藝	Operating costs ▼ Revenue ▲ 運營成本▼ 收入▲
	Behaviour change in customers' Green Consumption 客戶綠色消費行為轉變	Revenue ▼ 收入▼	Market 市場	Develop green and low-carbon products 開發綠色低碳產品	Revenue ▲ Assets ▲ 收入▲ 資產▲
	Reputation 聲譽	Revenue ▼ Financing ▼ Operating costs ▲ Value ▼ 收入▼ 融資▼ 運營成本▲ 價值▼	Products/Services 產品/服務	Promote low-carbon products Transforming sustainable concept 推廣低碳產品 傳遞永續理念	Operating costs ▼ Financing ▲ Revenue ▲ 運營成本▼ 融資▲ 收入▲
Physical 物理	Acute: Extreme weather 急性：極端天氣	Revenue ▼ Operating costs ▲ Asset Value ▼ 收入▼ 運營成本▲ 資產價值▼	Climate resilience 氣候韌性	Participate in the renewable energy program Improve energy efficiency 參與可再生能源計劃 提高能源效益	Operating costs ▼ Revenue ▲ 運營成本▼ 收入▲
	Chronic: Rising sea level 慢性：海平面上升	Operating costs ▲ Asset value ▼ 運營成本▲ 資產價值▼			

### 3. RESOURCES AND ENVIRONMENT (Continued)

#### 3.3 Response to Climate Change (Continued)

The Group actively adopts energy-saving measures to reduce energy consumption and adopts clean energy and photovoltaic power generation for the purpose of reducing greenhouse gas emission. In 2020, each subsidiary of the Group identified the risks that may arise from climate change and formulated corresponding measures to reduce the Company's potential losses:

- Texhong Galaxy: In order to avoid losses caused by extreme weather, Texhong Galaxy identified major climate-related matters that may have an impact on the Company and took corresponding preventive measures. Texhong Galaxy regards typhoon and flood as major climate-related matters, and has formulated relevant treatment plans for typhoon and flood prevention in summer, closely tracked after the local weather and weather forecast, and organized all departments to meet and carry out typhoon and flood prevention work;
- Texhong Winnitex Nicaragua, S.A., Shandong Texhong and Zhejiang Qing Mao: All subsidiaries actively promote the use of photovoltaic clean energy and install photovoltaic power in new dormitory buildings and new plants to reduce petrochemical energy consumption, so as to cope with the risks brought by climate change.

The following table shows the environmental data of the subsidiaries within the reporting scope of this ESG report in the past three years:

	2020 二零二零年	2019 二零一九年	2018 二零一八年	Unit 單位
Effluent discharge 廢水排放				
Total effluent discharge 廢水排放總量	8,908,358	8,431,407	8,760,656	tonne 噸
Effluent discharge intensity 廢水排放密度	455.0	383.2	457.3	tonne/RMB million sales 噸/百萬元人民幣銷售額
Waste discharge 廢棄物排放				
Hazardous waste discharge 有害廢棄物排放量	12,685	12,348	6,630	tonne 噸
Hazardous waste discharge intensity 有害廢棄物排放密度	0.6	0.6	0.3	tonne/RMB million sales 噸/百萬元人民幣銷售額
Non-hazardous waste discharge 無害廢棄物排放量	13,283	14,808	13,035	tonne 噸
Non-hazardous waste discharge intensity 無害廢棄物排放密度	0.7	0.7	0.7	tonne/RMB million sales 噸/百萬元人民幣銷售額

### 3. 資源與環境 (續)

#### 3.3 應對氣候變化 (續)

本集團採取積極的節能減排措施，減少能源消耗，使用清潔能源和光伏發電，以達到減少溫室氣體排放的目的。二零二零年，本集團各附屬公司識別氣候變化可能帶來的風險，並制定相應措施，降低公司的潛在損失：

- 天虹銀河：為避免極端天氣給公司帶來損失，天虹銀河對可能會對公司產生影響的重大氣候相關事宜進行識別並採取相應的預防措施。天虹銀河將颱風與洪水視為重大氣候相關事宜，並制定了夏季防颱、防汛相關處理方案，密切跟蹤當地氣象天氣預報，組織各部門開會分工做好防颱防汛工作等；
- 天虹慶業尼加拉瓜、山東天虹、浙江慶茂：各附屬公司積極推廣光伏清潔能源的使用，在新宿舍樓、新建廠房等安裝光伏發電，減少石化能源消耗，以應對氣候變化帶來的風險。

下表載列本ESG報告範圍內各附屬公司近三年的環境類數據：

# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3. RESOURCES AND ENVIRONMENT (Continued)

### 3.3 Response to Climate Change (Continued)

## 3. 資源與環境(續)

### 3.3 應對氣候變化(續)

	2020 二零二零年	2019 二零一九年	2018 二零一八年	Unit 單位
Greenhouse gas emission 溫室氣體排放				
Scope 1: direct emissions 範疇一：直接排放	15,557	26,877	-	tCO <sub>2</sub> e 噸二氧化碳當量 tCO <sub>2</sub> e
Scope 2: energy indirect emissions 範疇二：能源間接排放	1,575,409	1,475,908	-	tCO <sub>2</sub> e 噸二氧化碳當量 tCO <sub>2</sub> e
Total greenhouse gas emission <sup>1</sup> 溫室氣體排放總量 <sup>1</sup>	1,590,966	1,502,785	1,272,418	tCO <sub>2</sub> e 噸二氧化碳當量 tCO <sub>2</sub> e
Greenhouse gas emission intensity 溫室氣體排放密度	81.3	68.3	66.4	tCO <sub>2</sub> e/RMB million sales 噸二氧化碳當量 tCO <sub>2</sub> e/百萬元 人民幣銷售額
Energy consumption 能源消耗				
Energy consumption 能源消耗量	2,075,771	2,057,828	1,693,089	MWh <sup>3</sup> 兆瓦時 <sup>3</sup>
Energy intensity 能源密度	106.0	93.5	88.4	MWh/RMB million sales 兆瓦時/百萬元人民幣銷售額
Water consumption 水資源消耗				
Total water consumption 總用水量	9,695,932	10,280,314	12,473,850	tonne 噸
Water intensity 用水密度	495.3	467.2	651.2	tonne/RMB million sales 噸/百萬元人民幣銷售額
Packaging material consumption 包裝材料消耗				
Packaging material used 包裝材料使用量	26,684	27,988	28,396	tonne 噸
Intensity of packaging material used 包裝材料使用密度	1.36	1.3	1.5	tonne/RMB million sales 噸/百萬元人民幣銷售額



## 3. RESOURCES AND ENVIRONMENT (Continued)

### 3.3 Response to Climate Change (Continued)

Notes:

1. The Group primarily produces greenhouse gases due to energy consumption in the production process, which include Scope 1: direct emissions (petrol, diesel oil and natural gas) and Scope 2: Energy indirect emissions (electricity). Calculations of greenhouse gas of the Group are presented in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and audited in accordance with the "Requirements of the greenhouse gas emissions accounting and reporting — Part 12: Textile and garment Enterprises" published by the National Development and Reform Commission.
3. The Group's operation has no significant impact on the environment and natural resources. Therefore, Aspect A3 (Environment and Natural Resources) and its KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group and are not disclosed in this ESG report.
3. The total energy consumption of the Group was calculated based on the use of natural gas, gasoline, diesel, and purchased electricity, and the "Requirements of the greenhouse gas emissions accounting and reporting — Part 12: Textile and garment Enterprises" Appendix II Calculation of recommended values for common fuel related parameters published by the National Development and Reform Commission.
4. Most of the Group's water is sourced from municipal water, and a few subsidiaries have obtained underground water in compliance with laws and regulations, so as to ensure access to sufficient and appropriate water sources.

## 3. 資源與環境 (續)

### 3.3 應對氣候變化 (續)

附註：

1. 本集團的溫室氣體排放主要源於生產過程的能源消耗，包括範疇一：直接排放（汽油、柴油和天然氣）和範疇二：能源間接排放（電）。本集團的溫室氣體核算按二氧化碳當量呈列，並依據國家發展和改革委員會發佈的《溫室氣體排放核算與報告要求第12部分：紡織服裝企業》進行核算。
2. 本集團在經營過程中對環境及天然資源無重大影響，因此，層面A3（環境及天然資源）及其關鍵績效指標A3.1（描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動）對於集團不適用，故本ESG報告中不披露。
3. 本集團能源消耗總量根據天然氣、汽油、柴油及外購電的使用量，以及國家發展和改革委員會發佈的《溫室氣體排放核算與報告要求第12部分：紡織服裝企業》附表二常用化石燃料相關參數的推薦值計算。
4. 本集團取水大部分來自市政用水，少數附屬公司合法合規取用地下水，故在取得充足適用的水源上有所保障。

## 4. HEALTH AND SAFETY

In addition to strictly complying with the relevant local laws and regulations regarding employee health and safety, such as the “Work Safety Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, “Measures for the Supervision and Administration of Occupational Health Surveillance”, and “Design Standards for Occupational Safety and Health for Businesses in the Textile Industry”, the Group has introduced a series of internal rules and systems to safeguard workplace safety and prevent occupational diseases, strengthens the protection of female employees and devotes its efforts to achieving the balance between work and life of its employees. As of the end of 2020, a total of nine subsidiaries of the Group passed the three-level safety production standardization certification, and four subsidiaries of the Group passed the ISO 45001 occupational health and safety management system certification.

### 4.1 Safety production

The Group attaches great importance to safe production. It has established a safety management system and implemented a top-to-bottom safety management accountability system:

- Marketing and production department is responsible for management and supervision of production process and sites;
- Each branch factory conducts inspections, identifies and promptly solves problems as required;
- Operators of each process operate in accordance with operating procedures, and often carry out self-inspection and mutual inspection.

With the implementation of requirements such as “Policy on Safe Production”, “Rules on Accident Handling”, “Policy on Production Accidents”, “Policy on Production Standardization”, “Policy on Regular Safe Production Meetings”, “Policy on Safe Production Education”, “Policy on Accident Reporting and Handling” and “Policy on Emergency Response”, the Group has established the safe production accountability mechanism for all subsidiaries and the safety responsibilities of management personnel at all levels, and specified accident levels and corresponding penalties; upheld the principle of “Four prohibition” on incomplete cause investigation, incomplete disciplinary action for responsible staff member, incomplete rectification measures and incomplete training for relevant staff member to improve safety education and implement rectifying measures; and continued the promotion of 6S management and backup support of the Group and its subsidiaries.

## 4. 健康與安全

本集團嚴格遵守當地與員工健康與安全相關的法律法規，如《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《職業健康監護管理辦法》和《紡織工業企業職業安全衛生設計規範》等，通過一系列的內部規章制度來規範公司的安全生產與職業病防護工作，加強女性員工保護，致力於員工工作與生活的平衡。截至二零二零年末，本集團共有九家附屬公司通過三級安全生產標準化認證，本集團有四家附屬公司通過ISO 45001職業健康安全管理体系認證。

### 4.1 安全生產

本集團高度關注安全生產，建立安全管理體系，執行自上而下安全管理責任制：

- 營銷生產部負責生產過程和現場管理與監督；
- 各分廠按規定進行巡檢，發現問題，及時協調解決；
- 各工序操作人員按照操作規程操作，並經常進行自檢和互檢。

本集團通過《安全生產管理制度》、《安全事故處理規定》、《生產安全事故管理制度》、《安全生產標準化管理制度》、《安全生產工作例會制度》、《安全生產教育制度》、《事故報告處理制度》、《公司事故應急救援制度》等制度規定，落實所有附屬公司的安全生產責任制、各級管理人員的安全等職責，明確安全事故等級及相應處罰；執行落實「四不放過」原則，即事故原因未查清不放過、責任人員未處理不放過、整改措施未落實不放過和有關人員未受到教育不放過，做好人員安全教育及落實整改措施；並持續推進本集團及各附屬公司的6S管理及後勤保障工作。

#### 4. HEALTH AND SAFETY (Continued)

##### 4.1 Safety production (Continued)

In 2020, the Group and its subsidiaries constantly updated and improved the safety management mechanisms and systems:

- Texhong Yinlian: It obtained the National Level 3 Enterprise Certificate of "Safety Production Standardization" and the provincial "Occupational Health Operation Environmental Monitoring" Certificate of Jiangsu Province. In accordance with relevant laws and regulations, in 2020, Texhong Yinlian revised and improved 112 safety production management systems such as the Occupational Health and Safety Management Policy;
- Texhong Yinlong: The Company issued and adjusted a series of policies and work arrangements such as the "Adjustment to the Network of Fire Safety Committee and Fire Safety Organization at All Levels", the "Notice on Adjustment to Special and Part-time Safety Officers of the Company" and the "2020 Yinlong Flood and Typhoon Prevention Emergency Rescue Plan" to comprehensively improve the Company's safety management level;
- Nantong Texhong Textile Co., Ltd. ("Nantong Texhong"): According to the requirements of the superior safety department and the actual situation of the Company, the Company revised and improved the Safety Management Assessment Measures, the Responsibility Certificate for Three-level Safety Targets — (Company, department, branch and process level) and other safety management policies and standards.

#### 4. 健康與安全 (續)

##### 4.1 安全生產 (續)

二零二零年，本集團及各附屬公司持續更新、完善安全管理體系和制度：

- 天虹銀聯：獲得了國家級「安全生產標準化」三級企業證書和江蘇省省級「職業健康作業環境監測」合格證書。按照相關法律法規文件，二零二零年，天虹銀聯對《職業衛生安全管理制度》等112項安全生產管理制度進行了修訂和完善；
- 天虹銀龍：下發和調整《調整消防安全委員會及各級消防安全組織網絡》、《關於調整公司專、兼職安全員通知》、《二零二零年銀龍防洪防颱搶險救災預案》等一系列制度和工作安排，全面提升公司的安全管理水平；
- 南通天虹紡織有限公司（「南通天虹」）：根據上級安全部門要求及公司實際情況，修訂完善了《安全生產管理考核辦法》、《三級安全目標責任狀 —（公司、部室、分廠、工序級）》等安全管理制度及標準等。

4. HEALTH AND SAFETY (Continued)

4.1 Safety production (Continued)

The Group and its subsidiaries adopts various safety precautions throughout its daily operation, including:

- Post notices and warnings in workplaces subject to occupational hazards to raise employees' awareness of self-protection;
- Provide training and learning sessions to its employees in relation to workplace safety, which primarily include the safety procedures, management system, hazard identification skills and a three-level safety induction program;
- Cases of industrial accidents occurred and other comparable companies would be used for learning and discussion. Lessons are learnt through accident analysis meetings to prevent repeated violation.

In 2020, the subsidiaries of the Group actively carried out various activities such as fire drills, flood-control drills and workplace safety training to spread knowledge of laws and regulations and strengthen its capability to prevent workplace accidents and save lives and safeguard its production safety.

4. 健康與安全 (續)

4.1 安全生產 (續)

日常工作中，本集團及各附屬公司採取各種安全防範措施，包括：

- 在車間有職業危害的地方進行告知和警示，以提高員工自我防護意識；
- 為員工提供與工作場所安全有關的培訓及學習課程，內容包含安全規程、管理制度、危險源辨識技能以及新員工三級安全教育等方面；
- 將自身及可比較公司發生的工業事故案件用於學習及討論，以事故分析會的模式進行事故反省，以吸取教訓，杜絕重複違章現象。

二零二零年，本集團各附屬公司積極開展消防演習、防汛演練和生產安全培訓等活動，普及法律法規知識，加強自救自救的能力，保障公司生產安全。



**Texhong Galaxy:  
Fire and rescue drill**  
天虹銀河：消防及救護救難演習



**Shandong Texhong:  
Red Cross Association  
"first aid" training**  
山東天虹：  
紅十字協會「急救員」培訓



**Shandong Lanyan Textiles Co., Ltd.  
("Shandong Lanyan"):  
"Safe Production Month"  
black board exhibition**  
山東蘭雁紡織服裝有限公司  
([山東蘭雁]):「安全生產月」  
黑板報展評



4. HEALTH AND SAFETY (Continued)

4.1 Safety production (Continued)

4. 健康與安全 (續)

4.1 安全生產 (續)



**Nantong Texhong:**  
**Flood prevention emergency drill**  
南通天虹：防汛應急演練



**Nantong Texhong:**  
**Flue escape training**  
南通天虹：濃煙逃生培訓



**Texhong Winnitex Vietnam Limited**  
**(“Texhong Winnitex Vietnam”):**  
**First aid skills training**  
天虹慶業越南有限公司(「天虹慶業越南」)：急救技能培訓

In 2020, the number of lost days due to work injury of the Group was 5,556 days. From 2018 to 2020, the number of work-related fatalities of the Group was zero.

二零二零年，本集團因工傷損失工作日數為5,556天；二零一八年至二零二零年，本集團無因工亡故人數。

4.2 Occupational disease prevention and protection

The Group has established an occupational health and safe production committee, with the general manager as the head, the deputy general manager for production as the deputy head, and the factory managers and department managers of each branch as members. The Group diligently implemented policies such as “Management of Occupational Hygiene and Safety” and “Distribution and Management of Labour Protection Equipment” and has constantly improved the existing mechanism.

4.2 職業病防護

本集團成立了職業健康安全生產委員會，由總經理任組長，生產副總任副組長，各分廠廠長、部門經理任成員。本集團認真執行《職業衛生安全管理制度》、《勞動保護用品發放管理制度》等制度，並持續完善現有體系。



4. HEALTH AND SAFETY (Continued)

4.2 Occupational disease prevention and protection (Continued)

In 2020, the Group and its subsidiaries applied various measures to prevent occupational diseases, including:

- Offer health and safety education to employees and provides induction safety training and arranges safety retraining for elder employees;
- Establish and maintain occupational health records, regularly carry out occupational health examination such as pre-employment and on-the-job occupational disease examination to effectively prevent the occurrence of occupational diseases;
- Third-party institutions are invited to conduct occupational hazard assessment and dust and noise detection in the workplace and issue reports, and inform and warn the places with occupational hazards in the workshop to improve employees' self-protection awareness;
- Labor protection supplies such as earplugs and masks are distributed on a timely basis, and employees are trained on how to wear them properly.

4. 健康與安全 (續)

4.2 職業病防護 (續)

二零二零年，本集團及各附屬公司採取各種措施預防職業病，包括：

- 對員工進行健康安全教育，實行入職前安全培訓和老員工安全再培訓；
- 建立和維護職業健康檔案，定期開展員工崗前、在崗職業病體檢等職業健康體檢，有效預防職業病的發生；
- 邀請第三方機構對作業場所進行職業危害評價和粉塵、噪聲檢測並出具報告，在車間有職業危害的地方進行告知和警示，提高員工自我防護意識；
- 按時分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓。



**Texhong Galaxy:**  
Occupational disease examination  
天虹銀河：職業病體檢



**Shandong Texhong:**  
Occupational disease examination  
山東天虹：職業病體檢



**Texhong Yinlong:**  
Occupational disease examination  
天虹銀龍：職業病體檢

#### 4. HEALTH AND SAFETY (Continued)

##### 4.3 Protection for female employees

Female employees assume a wide variety of posts on different levels in the Group. In strict compliance with relevant local laws and regulations, such as the “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”, “Labour Protection of Female Employees” and “Healthcare Work of Female Employees”, the Group protects the rights of female employees from the sources. The Group is concerned about the problems encountered by employees in their work and life and constantly improves the working environment and condition for female employees. The Group and its subsidiaries have put in place a “Three-period” requirement and regular physical examination system. For example, Nantong Texhong organizes an individual physical examination for female employees every year, providing care for female employees’ physical and mental health.

In August 2020, Shandong Texhong established a “Mommy’s Caring House” for female workers, providing comfortable rest places for female workers during pregnancy and lactation, and was awarded the honorary title of Jining.

#### 4. 健康與安全 (續)

##### 4.3 女職工關愛

在本集團，女性員工廣泛分佈在不同層級、不同類別的崗位上。本集團嚴格遵守當地的相關法律法規，如《中華人民共和國婦女權益保障法》、《女職工勞動保護規定》和《女職工保健作規定》等，從源頭上維護女職工的權益。本集團關注女職工在工作和生活上的問題，不斷改善女性勞動環境和勞動條件。本集團及各附屬公司落實女工「三期」規定及定期體檢制度，如南通天虹每年組織女職工單項身體檢查等，關愛女職工身心健康。

二零二零年八月，山東天虹為女工建設「媽媽小屋」，為孕期和哺乳期女工提供舒適的休息場所，並獲得濟寧市級榮譽稱號。



Shandong Texhong: “Mommy’s Caring House”  
山東天虹：「媽媽小屋」

4. HEALTH AND SAFETY (Continued)

4.4 Epidemic Prevention

In 2020, facing the severe outbreak of COVID-19, the Group and its subsidiaries have taken a number of measures to strengthen the protection of employees against the epidemic, for example:

- Shandong Lanyan: Revised the policy of leave application and attendance based on the actual production situation, which increased the flexibility of working hours. The Company organized all employees to carry out the "Epidemic Prevention, Health Protection" cleaning activity, and thoroughly cleaned and disinfected the factory zone and workshop. According to the medicinal formula issued by well-known Chinese medicine practitioners, the Chinese medicine was purchased and the soup was prepared by the canteen according to the dosage, and regularly distributed to employees every day to enhance their resistance to the virus;

4. 健康與安全 (續)

4.4 疫情防護

二零二零年，面對嚴峻的新型冠狀病毒肺炎疫情，本集團及各附屬公司採取多項舉措來加強員工的疫情防護，如：

- 山東蘭雁：結合實際生產情況，修訂了請假考勤制度，增加了工時的靈活性；組織全體員工開展了「防疫情、保健康」衛生大掃除活動，對廠區及車間衛生進行了徹底清理、消毒；根據知名中醫開具的藥方，購進中藥材，由食堂按照劑量煎製成湯藥，每日定時發放給員工服用，以增強員工對病毒的抵抗力；



Shandong Lanyan: Cleaning  
山東蘭雁：衛生大掃除



Shandong Lanyan: Cook and distribution of soup  
山東蘭雁：煎製發放湯藥

#### 4. HEALTH AND SAFETY (Continued)

##### 4.4 Epidemic Prevention (Continued)

- Texhong Yinlian: During the epidemic, employees were popularized with the characteristics of “novel coronavirus” and the knowledge of epidemic prevention such as preventive measures through publicity posters, bulletin boards and knowledge lectures;
- Texhong Renze: The implementation of the Emergency Plan for the Prevention and Control of Novel Coronavirus Pneumonia Infection in Texhong Renze and the Emergency Supplement Plan for the Prevention and Control of Novel Coronavirus Infection in Texhong Renze were formulated and promoted to ensure the health of all employees;
- Zhejiang Qing Mao: It provided assistance to employees for returning to work, bore all expenses during the quarantine period, and transportation subsidies for employees returning to work.

#### 5. CARE AND GROWTH

##### 5.1 Legal employment

The Group pays attention to building a harmonious and stable labour relation and strictly complies with relevant local laws, regulations and policies, such as “Labour Law of the People’s Republic of China” and “Labour Contract Law of the People’s Republic of China”. In accordance with the “Employee Manual”, “Recruitment Management Policy”, “Employee Induction and Loss of Office Management Requirement”, “Employee Promotion Management Requirement”, “Performance Management Measure”, “Measures for Job Appraisal of Yarn Marketing Management Department” etc., the Group regulates recruitment process, improves the mechanism of talent selection, and actively protects employees’ legal rights.

The Group enters into written labour contracts with all employee based on the principles of “Equality, willingness and mutual agreement”, and has established an annual leave policy according to legal requirements. The Group provides updates through different means to employees on recent production and operation conditions of the Group, as well as rules, regulations, and policies that are closely related to their interests:

- Child labour: Recruitment of child labour is prohibited by the Group. All candidates must pass age verification to ensure that their identity documents are authentic and they meet the legal age for employment.

#### 4. 健康與安全 (續)

##### 4.4 疫情防護 (續)

- 天虹銀聯：在疫情期間，利用宣傳畫報、宣傳欄註解、知識講座等多種形式向員工普及「新型冠狀病毒」的特點及預防措施等防疫知識；
- 天虹仁澤：制定並推進落實《天虹仁澤防控新型冠狀病毒肺炎傳染應急方案》及《天虹仁澤防控新型病毒傳染的應急補充方案》，確保全體員工的身體健康；
- 浙江慶茂：為員工返崗工作提供幫助，承擔隔離期間的所有費用，並為自行返崗的員工提供交通補貼。

#### 5. 關懷與成長

##### 5.1 合規僱傭

本集團注重建立和諧穩定的勞動關係，嚴格執行當地有關法律、法規和政策，如《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等，依據《員工手冊》、《招聘管理制度》、《員工入離職管理規定》、《員工晉升管理規定》、《績效管理管理辦法》和《紗線營銷管理部職級考評辦法》等內部規章制度，規範員工招聘流程，健全人才選用機制，積極保障員工合法權益。

本集團按照「平等、自願、協調一致」的原則，與所有員工簽訂書面勞動合同，並依法建立年休假制度。本集團通過多種形式向員工宣講本集團近期的生產經營狀況以及與員工利益密切相關的規章制度，保障員工的利益：

- 童工：本集團禁止招聘童工，所有求職者均須通過年齡身份審核，確保身份證件真實，且符合法定用工年齡。



## 5. CARE AND GROWTH (Continued)

### 5.1 Legal employment (Continued)

- Forced or compulsory labour: Use of forced labour is prohibited by the Group. Employees have the right to refuse and report to high levels by bypassing their immediate leadership for work arrangements that violate safety regulations.
- Working hour: We comply with all the requirements of the national laws and regulations on working hour and overtime arrangement for employees is on a voluntary basis.
- Labour union and collective bargaining agreement: We recognize and respect employees' right to organize and participate in a labour union and collective bargaining.
- Discrimination: Discrimination against gender, age, ethnicity, race, color, nationality, religious belief, disability, personality, etc. is prohibited.
- Harassment and torture: Harassment, torture and corporal punishment are prohibited.
- Dismissal: Any dismissal of employees is in strict compliance with local laws and regulations.

In 2020, the Group and its subsidiaries worked for continuous improvement in employment system, and safeguarded employees' rights and interests, including but not limited to:

- Nantong Texhong: In terms of system, the Company appropriately adjusted the recruitment incentive scheme and revised the Employee Retention Plan to recruit and retain outstanding employees. In terms of standardized management, the Company revised the leave application system and set special high temperature charges and special bonuses to provide employees with more benefits while ensuring a high attendance rate;
- Texhong Yinlian: We actively cooperated with Xuzhou Municipal Federation of Trade Unions to carry out the right protection activity of "Co-operation" between enterprises and employees, so as to effectively protect the legitimate rights and interests of employees and promote the harmonious and stable labor relations.

## 5. 關懷與成長(續)

### 5.1 合規僱傭(續)

- 強迫或強制勞動：本集團杜絕強迫勞動，對於上級違反安全規程的工作安排，員工有權拒絕並可越級上報。
- 工作時間：遵守各國家法律、法規關於工作時間的要求，在員工自願的情況下安排加班。
- 工會組織和集體談判權：承認並尊重員工組織和參加工會，以及進行集體談判的權利。
- 歧視：杜絕因性別、年齡、民族、種族、膚色、國籍、宗教信仰、殘疾、個人性格等原因使員工受到歧視。
- 騷擾與虐待：禁止騷擾、虐待與體罰。
- 解聘：解聘任何員工須嚴格遵照當地法律法規。

二零二零年，本集團及各附屬公司持續優化僱傭制度體系，維護員工權益，包括但不限於：

- 南通天虹：在制度方面，適當調整了招聘獎勵方案，修訂了《員工保有方案》，以招收和留住優秀員工；在規範管理方面，修訂了請假考勤制度，設置特別高溫費和特別獎，在保證員工高出勤率的同時，員工提供更多福利；
- 天虹銀聯：積極配合徐州市總工會開展企業與職工「共同約定行動」維權活動，切實維護職工的合法權益，促進勞動關係的和諧穩定。



5. CARE AND GROWTH (Continued)

5.1 Legal employment (Continued)

As at 31 December 2020, the total number of employees of the subsidiaries within the reporting scope of this ESG report was 32,712:

<b>Gender</b> 按性別	Male 男	15,841	<b>Geography</b> 按地域	domestic 國內	16,756
	Female 女	16,871		overseas 國外	15,956
<b>Age</b> 按年齡	<30	12,436	<b>Employee category</b> 按僱傭類型	full-time 全職	32,689
	30-50	18,342		part-time 兼職	23
	>50	1,934			

During the Reporting Period, the employee turnover rate of the subsidiaries within the reporting scope of this ESG report is as follows:

<b>Age</b> 按年齡	<30	11.2%	<b>Gender</b> 按性別	Male 男	9.4%
	30-50	6.8%		Female 女	8.0%
	>50	3.3%	<b>Geography</b> 按地域	domestic 國內	3.7%
		overseas 國外		6.5%	

The Group emphasizes equality and diversity, and provides equal care and opportunities for disabled employees and ethnic minority employees:

- For disabled employees, the Group and its subsidiaries provide them with equal employment opportunities and care so that they can realize their potential in different positions;
- For ethnic minority employees, the Group and its subsidiaries actively offer job opportunities and respect their daily habits and needs.

5. 關懷與成長(續)

5.1 合規僱傭(續)

截至二零二零年十二月三十一日，本 ESG 報告範圍內各附屬公司的員工總數為 32,712：

報告期內，本 ESG 報告範圍內各附屬公司的員工流失率情況如下：

本集團強調平等與多元化，對於殘疾員工和少數民族員工給予同等的關懷與機會：

- 對於殘疾員工，本集團及各附屬公司給予他們平等的就業機會和關愛，讓他們在不同的崗位上發揮自己的潛能；
- 對於少數民族員工，本集團及各附屬公司積極提供其工作崗位，平日尊重他們的生活習性和需求想法。

5. CARE AND GROWTH (Continued)

5.2 Humanistic care

The Group adopts a people-oriented approach, pursues humanistic care, focuses on humane management, and promotes employees' sense of belonging and loyalty to the Company. Coffee klatches are held monthly between general managers, and seminars among workshop heads, chief operator and chief mechanist as well as after-hours meetings among employees are held regularly to help employees maintain a positive work attitude and enhance work enthusiasm.

Staff activities

The Group is well-equipped with activity facilities in workspace and living space, including leisure room, television room, basketball court and badminton court. In 2020, the Group and its subsidiaries held a variety of staff activities to create a positive atmosphere.

5. 關懷與成長(續)

5.2 人文關懷

本集團以人為本，追求人文關懷，注重人性化管理，增進員工對公司的歸屬感及忠誠度。本集團每月召開總經理茶話會，定期組織召開車間班組、值班長和機工組長座談會、員工班後會，幫助員工樹立良好的工作心態，提升工作熱情。

員工活動

本集團在工作區和生活區配備良好活動設施，包括員工娛樂活動室、電視房、籃球場、羽毛球場等。二零二零年，本集團及各附屬公司舉辦多種多樣的員工活動，營造積極向上的氛圍。



**Texhong Yinfeng: "National Day" fun sports**  
天虹銀豐：「迎國慶」趣味運動



**Texhong Galaxy: Autumn sports day**  
天虹銀河：秋季運動會



**Texhong Yinlong: Vietnam Women's Day flower arrangement competition**  
天虹銀龍：越南婦女節插花比賽



**Taltex (Zhuhai): Giving festive gifts**  
珠海聯業：發放節日禮品

5. CARE AND GROWTH (Continued)

5.2 Humanistic care (Continued)

Employee/staff care

The Group endeavors to support employees in need and offers relief and condolence to employees in difficulties and their family members.



**Shandong Texhong:  
Employee Children's Grant Ceremony**  
山東天虹：員工子女助學金頒發儀式活動

Democratic communication

The Group has established a smooth and democratic communication mechanism and set up Texhong employee relations committee, which receives opinions and suggestions from employees through complaint mailboxes and complaint email, in order to understand opinion, identify problems, and actively respond to employee demands to promote harmonious working environment. Management personnel at all levels stay close to the grassroots level to understand employees' opinions and suggestions on the Company's production and life and management through daily observation and reflection, employee discussions, regular employee communication days, questionnaires and other channels, and to solve problems.

Each subsidiary also adopts various methods to maintain continuous communication with employees:

- Nantong Texhong has set up a general manager mailbox to respond to questions raised by employees in a timely manner;
- Shandong Texhong has set up a backup committee to conduct ad hoc visits on shuttles, canteens, dormitories, etc. that involve employees' lives, to handle opinions and feedback from employees, and to urge the management and contractors to improve services.

5. 關懷與成長(續)

5.2 人文關懷(續)

員工關愛

本集團重視困難員工的幫扶，為各困難員工及其家屬送去溫暖和慰問。



**Texhong Yinlong:  
Donation to employees in traffic accidents**  
天虹銀龍：為遇到交通事故員工捐款

民主溝通

本集團搭建暢通的民主溝通機制，設立天虹員工關係委員會，通過投訴信箱和投訴郵箱接收員工的相關意見與建議，以了解民意，發現問題，並積極回應員工訴求，促進公司和諧發展。各級管理人員深入基層，通過日常觀察與反思、員工座談、定期員工溝通日、問卷調查等途徑了解員工對公司生產生活及管理上的意見與建議，並解決問題。

各附屬公司也採用多種方式與員工進行持續溝通：

- 南通天虹設立總經理信箱，對員工提出的問題，及時答覆；
- 山東天虹成立了後勤委員會，對涉及員工生活的班車、食堂、宿舍等進行不定期抽查暗訪，對於員工提出的意見和反饋進行協調處理，促使管理人員和承包方改進服務。

5. CARE AND GROWTH (Continued)

5.3 Learning and Progress

Following the continuous expansion and extension of the Group's industrial structure, manpower development has become an important part of the Group's development strategy. Based on the strategic development needs, the Group has formulated the "Training and Implementation Measures of Texhong Textile Group" and improved Texhong Education College structure for training, learning course, technician, mechanist/engineer skill assessment, mid-to-entry level training and senior leadership.

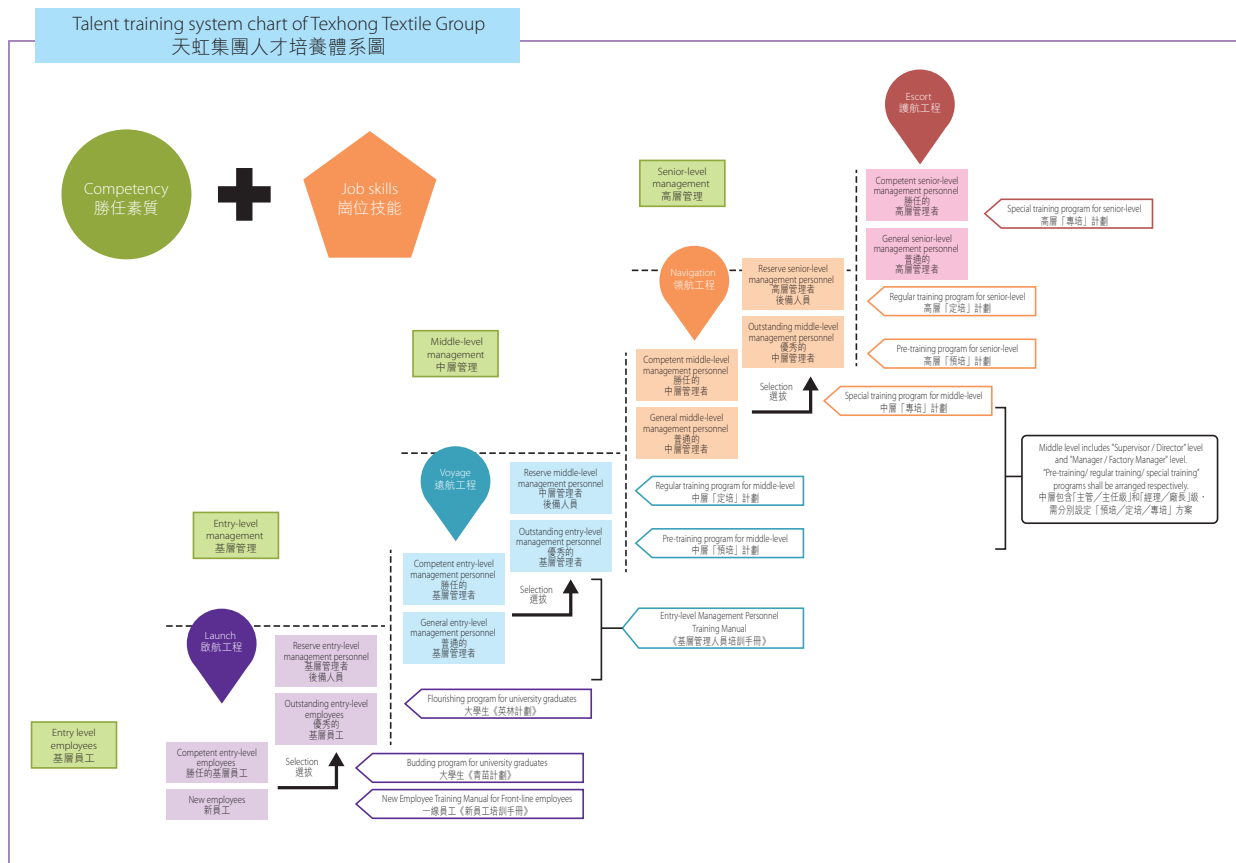
The Group puts in place a "Branched career path" for every employee and provides employees with a personalized and systematic development plan through "Budding program" (for university graduates with less than one year of experience), "Flourishing program" (for university graduates with one to three years of experience) and "Stratified talent nurturing program" (for all employee with more than three years of experience). Through building a team of lecturers and planning various career development paths, the Group establishes back-up talent team and develop a learning organization, with an aim to provide talents for the development of the Group at all stages and become an enterprise that learns and grows with happiness.

5. 關懷與成長(續)

5.3 學習進取

隨著集團產業佈局發展的不斷擴大和延伸，人才發展成為本集團發展戰略的重要組成部分。根據戰略發展需求，本集團制定《天虹集團培訓實施管理辦法》，持續完善天虹教育學院培訓體系、課程體系及技工技師/工程師技能等級評定體系、中基層訓練營體系以及高層領導力體系。

本集團針對所有員工制定了「雙通道職業發展路徑」，並通過「青苗計劃」（1年內大學生）、「英林計劃」（1-3年內大學生）和「人才梯隊培養計劃」（3年以上所有員工）為員工提供個性化、系統性的發展計劃。本集團繼續建設講師隊伍，規劃各類職業發展路徑，建設後備人才梯隊，打造學習型組織，為本集團各階段的發展提供人才，致力於成為學習成長的幸福企業。



Talent training system chart of Texhong Textile Group  
天虹集團人才培養體系方案



**5. CARE AND GROWTH** (Continued)

**5.3 Learning and Progress** (Continued)

In 2020, in terms of manpower training and echelon construction, all subsidiaries constantly explored more advanced and diversified models, and continuously enriched and expanded employee training programs and career development channels.

In 2020, the Group's subsidiaries carried out various training activities including production training, management skills and skills training, and provided targeted training for new employees, junior management personnel, middle management personnel and backup management personnel to meet the needs of all levels.

**5. 關懷與成長** (續)

**5.3 學習進取** (續)

二零二零年，在人才培養和梯隊建設上，各附屬公司不斷探索更先進更多元化的模式，持續豐富和拓展員工培養方案和職業發展通道。

二零二零年，本集團各附屬公司開展了包含生產培訓、管理技巧、技能培訓等多種培訓活動，為新入職員工、基層管理人員、中層管理人員和後備管理人員等各類員工提供具有針對性的培訓，滿足各個級別的需求。



**Shandong Texhong:**  
**Training on basic management of equipment, process and proper operation**  
山東天虹：設備基礎管理、工藝及正確使用培訓



**Texhong Yinfeng:**  
**Winter operation sports day**  
天虹銀豐：冬季操作運動會



**Texhong Renze:**  
**Evaluation, recruitment and recognition of technicians**  
天虹仁澤：技工技師評聘與表彰



## 5. CARE AND GROWTH (Continued)

### 5.3 Learning and Progress (Continued)

In 2020, the total training hours of employees of the subsidiaries within the reporting scope of this ESG report were 746,905 hours. The average training hours of employees and percentage of employees trained by employee category are as follows:

Training for employees 員工受訓情況		Average training hours 平均受訓時數	Percentage of employees trained 受訓百分比
Employee category 按僱員類別	Senior/Middle-level management personnel 高層／中層管理人員	10.1	78.2%
	Basis level/office clerk 基層／部室文員	24.8	83.0%
	Front-line employees and others 一線員工及其他	26.4	95.2%
Gender 按性別	Male 男性	25.3	90.3%
	Female 女性	20.4	87.1%

## 6. INTEGRITY AND HONESTY

The Group strictly complies with the requirements of relevant local laws and regulations, such as the "Company Law of the People's Republic of China", "Bidding Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", and "Interim Provisions on Banning Commercial Bribery". It issued a series of anti-corruption policies, including "Texhong Textile Group Anti-Corruption Management Regulations (Trial)", "Texhong Textile Group's Integrity and Self-Discipline Incentive Measures (Trial)", "Texhong Textile Group Whistle-blower Protection and Reward Policy (Trial)", "Texhong Textile Group Whistle-blower Protection and Reward Policy (Trial)" — Whistle-blowing Guidelines and Requirements for Suppliers and Customers".

## 5. 關懷與成長(續)

### 5.3 學習進取(續)

二零二零年，本ESG報告範圍內各附屬公司的員工總受訓時數為746,905小時，按僱員類別劃分的員工平均受訓時數和受訓百分比如下：

## 6. 廉潔與誠信

本集團嚴格遵守當地法律法規，如《中華人民共和國公司法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》和《關於禁止商業賄賂行為的暫行規定》等，發佈了一系列反腐敗制度，包括《天虹紡織集團反腐敗管理條例(試行)》、《天虹紡織集團廉潔自律獎勵辦法(試行)》、《天虹紡織集團舉報人保護和獎勵制度(試行)》、《天虹紡織集團舉報人保護和獎勵制度(試行)》、《天虹紡織集團舉報人保護和獎勵制度(試行)》—關於供應商及客戶的舉報指引和要求》。

**6. INTEGRITY AND HONESTY (Continued)**

In order to take forward the work on anti-corruption and anti-bribery, the Group has established an internal control mechanism. The President's Office was designated as the anti-corruption department responsible for investigating corruption, strengthening supervision and management on key segments and key positions where corruption is frequent and highly likely to ensure the governance of commitment system to prevent commercial bribery, and guiding the management personnel of the Group to act in accordance with the law and consciously resist corruption and malpractices such as deception and fraud. The President's Office is the only dedicated department authorized by the Group to conduct investigations on corruption, and reports directly to the Chairman of the Board and the President of the Group, thereby guaranteeing the acceptance of report and the independence and objectivity of investigation from the governance structure.

The Group requires suppliers, customers and other partners of Texhong Textile to uphold integrity and honesty, participate in the Group's integrity management supervision system. We have included "Anti-Commercial Bribery Agreement" as a mandatory appendix to the contract, requiring all cooperative suppliers to sign the agreement, and have conducted a joint special inspection on the signing of "Anti-Commercial Bribery Agreement" since 2019. If a contract is found to be not in compliance with the requirements, the relevant department will be held accountable.

The Group has specially launched the "HonestTH" module on its official website and announced its internal anti-corruption policies and reporting channels such as whistle-blowing hotline, email address, mailing address, online message on the official website and appointment visits to encourage internal and external personnel to report corruption issues. Once the issue is verified, the Group will immediately carry out an investigation and give cash rewards to the whistle-blower or cooperating units. Malicious reporting and false accusation are prohibited.

The Group attaches great importance to the protection of whistleblowers. The President Office prioritizes the confidentiality of reports. There is a strict control system and process for the acceptance and investigation of reports, and the whistle-blower's personal information and all report materials provided by the whistle-blower are kept strictly confidential. There are also multiple strict measures to protect suppliers, partners, or individuals who report in real names.

**6. 廉潔與誠信 (續)**

為推進反腐敗和賄賂工作，本集團搭建了內控機制，指定總裁辦公室為反貪腐專職部門，負責腐敗行為調查，加強對易發多發腐敗的重點環節、重點部位崗位人員的監督和管理力度，確保治理商業賄賂承諾制，引導本集團管理人員依法辦事，自覺抵制欺騙欺詐等消極腐敗現象。總裁辦公室是本集團唯一被授權從事腐敗行為調查的專職部門，直接向本集團董事局主席和總裁匯報，從治理結構上保障了舉報受理和調查工作的獨立性和客觀性。

本集團要求天虹的供應商、客戶及其他合作夥伴廉潔守正，並參與到本集團誠信經營的監督體系中。我們將《反商業賄賂協議書》作為合同生效的必備附件，要求所有合作供應商簽訂，並自二零一九年起針對《反商業賄賂協議書》的簽訂進行聯合專項檢查，發現不符合要求的合同，將追究相關部門的責任。

本集團在官網專門開通「廉潔天虹」模塊，公佈內部反腐制度以及舉報電話、電子郵件、信函地址、官網在線留言和預約來訪等舉報途徑，鼓勵內外部人員舉報腐敗問題。問題一經核實，本集團立即開展調查，並對個人舉報或合作單位給予現金獎勵，同時禁止惡意舉報和誣告陷害。

本集團注重對舉報人的保護，總裁辦公室將舉報的保密工作放在首位，對於舉報受理和調查有嚴格的管控制度和流程，對舉報人的個人信息及舉報人提供的所有舉報資料均嚴格保密；針對實名舉報的供應商、合作夥伴或個人制定了多重嚴格的保護措施來落實對舉報人的保護。

## 6. INTEGRITY AND HONESTY (Continued)

In 2020, the Group's headquarter, its functional departments, business units and subsidiaries all organized learning activities on the theme of "HonestTH". In response to a series of anti-corruption regulations issued by the Group, all subsidiaries organized a series of anti-corruption activities. The Group refined its business ethics code, conducted interviews and exchanges with new suppliers to promote anticorrupt bribery and corruption; held promotion and study sessions on anti-corruption and anti-commercial bribery for management personnel of all departments, and required employees to sign the "Undertaking of Integrity and Anti-corruption as an Employee" etc., so as to maintain integrity and self-discipline and to protect the favorable internal operating environment.

- Jiangsu Texhong: The Group organized training and study on the Group's anti-corruption management regulations for employees in the marketing department and other departments to strengthen their awareness of integrity and self-discipline and urge them to strictly abide by the professional bottom line.

## 6. 廉潔與誠信(續)

二零二零年，本集團總部、各職能部門、各業務部、各附屬公司全面組織開展了「廉潔天虹」的主題學習活動。各附屬公司積極響應本集團下發的一系列反腐規定，組織了一系列反腐倡廉活動。本集團持續完善商業道德規範，與新進供貨供應商進行面談會議交流，宣傳反商業賄賂及腐敗；對各部門管理層人員進行反腐敗反商業賄賂宣傳學習會，要求全體員工簽訂《員工廉潔從業承諾書》，做到廉潔自律，維護良好的內部營運環境。

- 江蘇天虹：分別組織營銷部等部室員工進行集團反腐敗管理條例的培訓和學習，以加強員工廉潔自律的意識，督促員工嚴守職業底線。



**Jiangsu Texhong: Training on Anti-Corruption Management Regulations**  
江蘇天虹：反腐敗管理條例培訓

In 2020, there were no legal cases regarding corrupt practices brought against the Group.

二零二零年，本集團未發生貪污訴訟案件。

### 7. TO GIVE BACK AND REPAY

The Group has been committed to giving back to society over the years. For instance, we acquired bankrupt cotton textile enterprises in the People's Republic of China and offered better remuneration package and living security for retained staff. In response to state policy of "One Belt One Road" initiative, we proactively implemented industrial support in Xinjiang by recruiting ethnic minority employees in order to improve their living quality with job and education opportunities. Being enthusiastic in social welfare, we made donations every year and hired disabled employees so that they can support themselves financially. The Group established the "Charity and Social Welfare Management Policy of Texhong Textile Group" for organizing charity and welfare activities.

#### Assist in epidemic countering

Since the outbreak of COVID-19, the Group has actively assisted in the fight against the epidemic and fulfilled its corporate social responsibility.

In February 2020, the Group donated RMB5 million through the charity federation of Jiangsu, Shandong and Xinjiang for the purchase of supplies for epidemic prevention and control. Shandong Lanyan sped up its production of more than 20,000 protective isolation suits and more than 30,000 protective isolation caps to support epidemic prevention and control work of local governments so as to provide protection for the safety of epidemic prevention personnel;

In March 2020, all Party members of Shandong Lanyan donated a total of RMB10,000 to various branches to fight against the epidemic, contributing to the prevention and control of the epidemic;

In June 2020, Taltex (Zhuhai) donated RMB100,000 to Zhuhai Red Cross to support the Red Cross.

### 7. 回饋與反哺

本集團多年來一直專注於回饋社會，如收購國家破產棉紡企業，提供原職工更好的工資待遇和生活保障；積極響應國家「一帶一路」政策號召，實行產業援疆，積極招錄少數民族員工，解決其就業與學習問題，提升其生活品質；熱心社會公益，除每年的捐款以外，還錄用殘疾員工幫助其自食其力。本集團制定了《天虹紡織集團慈善與公益管理制度》，專責策劃各項慈善和公益活動。

#### 助力抗疫

自新型冠狀病毒肺炎疫情爆發以來，本集團積極馳援抗疫，踐行企業社會責任。

二零二零年二月，本集團通過江蘇、山東和新疆三地慈善總會定向捐贈五百萬元人民幣用於購買新型冠狀病毒肺炎疫情防控物資。山東蘭雁趕制兩萬餘件防護隔離服及三萬多頂防護隔離帽支持地方政府機構疫情防控工作，為防疫人員的安全防護保駕護航；

二零二零年三月，山東蘭雁全體黨員以各支部為單位為抗擊疫情捐款，共計捐款一萬元人民幣，為疫情防控出一份力；

二零二零年六月，珠海聯業捐贈十萬元人民幣給珠海市紅十字會，以支持紅十字事業。



# 環境、社會及管治報告 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 7. TO GIVE BACK AND REPAY (Continued)

### Overseas Charity

In 2020, Texhong Yinlong and Texhong Galaxy donated VND200,000,000 to the victims who suffered from flooding in central Vietnam to help them to rebuild their homes with the help of enterprises.

In 2020, Texhong Renze provided bases for visiting and exchanging and internship from the Department of Chinese Language of Ho Chi Minh City Normal University, the Department of Chinese Language of Hue University College of Foreign Language, the textile profession of the Second Industrial University College of Ho Chi Minh City, Ho Chi Minh City University of Technical Education and the University of Technology.

In 2020, all employees from Texhong Winnitex and Texhong Yinlong donated nearly VND14,000,000 and VND160,000,000 to the people in central Vietnam who suffered from flooding respectively, helping them overcome difficulties.

## 7. 回饋與反哺(續)

### 海外公益

二零二零年，天虹銀龍和天虹銀河為越南中部洪水災民愛心捐款二億越盾，以盡企業微薄之力，助其重建家園。

二零二零年，天虹仁澤為胡志明市師範大學中文系、順化外國語大學中文系、胡志明市第二工業大學紡織專業、胡志明市師範技術大學、百科大學提供參觀交流、實習基地。

二零二零年，天虹慶業和天虹銀龍全體員工分別為遭受洪水影響的越南中部人民捐款近一千四百萬越盾及一億六千萬越盾，幫助其渡過難關。



**Texhong Yinlong:**  
Donation to the people in central Vietnam who suffered from flooding  
天虹銀龍：越南中部洪水災民愛心捐款



**Texhong Galaxy:**  
Donation to the people in central Vietnam who suffered from flooding  
天虹銀河：越南中部洪水災民愛心捐款



**Texhong Renze:**  
Provided a base for exchange and internship  
天虹仁澤：提供參觀交流實習基地



**Texhong Winnitex:**  
Disaster relief donation  
天虹慶業：救災捐款



# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

**To the Shareholders of Texhong Textile Group Limited**  
(incorporated in the Cayman Islands with limited liability)

### OPINION

#### What we have audited

The consolidated financial statements of Texhong Textile Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 134 to 248, which comprise:

- the consolidated balance sheet as at 31 December 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致天虹紡織集團有限公司全體股東  
(於開曼群島註冊成立的有限公司)

### 意見

本核數師(以下簡稱「我們」)已審核：

列載於第134至248頁天虹紡織集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括：

- 於二零二零年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，其中包括重要會計政策摘要。

#### 我們的意見

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

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# 獨立核數師報告

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 意見基準

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。我們於該等準則下的責任於我們的報告的核數師就審核綜合財務報表須承擔的責任一節內詳述。

我們相信，我們所獲得的審核憑證能充分和適當地為我們的意見提供基礎。

### 獨立性

根據香港會計師公會的「專業會計師道德守則」（「守則」）我們獨立於貴集團，並已遵循守則履行其他道德責任。

### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。



A key audit matter identified in our audit is summarised as follows:

我們在審核中識別出關鍵審核事項概述如下：

- Revenue recognition: Sales of goods

- 收入確認：商品銷售

#### Key Audit Matter

##### 關鍵審核事項

#### How our audit addressed the Key Audit Matter

##### 我們在審核中的處理關鍵審核事項的方法

#### Revenue recognition: Sales of goods

##### 收入確認：商品銷售

Refer to Note 2.27 to the consolidated financial statements  
請參閱綜合財務報表附註 2.27

During the year ended 31 December 2020, the Group recognised RMB19,576,938,000 of revenue from sales of goods.

於截至二零二零年十二月三十一日止年度，貴集團已確認商品銷售收入為人民幣 19,576,938,000 元。

Revenue is recognised when control of the underlying products has been transferred to the customers. 收入於相關產品的風險及回報已轉嫁予客戶時確認。

We focused on this area due to the high volume of sales generated in various locations and from decentralised customers, and thus significant audit time and resources were devoted in this area, in particular relating to the occurrence, accuracy and timely recording of such transactions.

由於自不同地區及分散的客戶產生巨額銷售，故我們著重此方面，並投入大量審核時間與資源到此領域中，尤其是與有關交易的發生、準確性及及時記錄相關的事宜。

We understood, evaluated and validated management's controls in respect of the Group's process to recognise sales transactions, including contract approval, recording of sales based on contract terms, and reconciliations with cash receipts and customers' records. 我們就貴集團確認銷售交易之控制權之程序，包括合約批准、記錄按合約條款之銷售及已收現及客戶記錄對賬，理解、評估及核實管理層。

We tested the revenue derived from different customers and different locations for selected samples by examination of the sales contracts, invoices and goods delivery notes to revenue recorded. We compared the delivery dates based on delivery notes with the timing of revenue recognition, and we also examined transactions which occurred immediately before and after the balance sheet date for their recording as revenue in the proper periods.

透過檢查銷售合約、發票及已記賬收入之送貨記錄，我們按經挑選的樣本測試不同客戶及不同地點產生的收入。我們根據送貨記錄比較送貨日期與確認收入時間，我們亦檢查緊接其於適當期間列賬為收益的結算日前及緊隨其後進行的交易。

Based on our audit procedures, we found the Group's revenue recognition in relation to sales of goods was supported by the relevant evidence that we gathered.

基於審核程序，我們發現貴集團關於商品銷售的收入確認得到所收集相關證據支持。



羅兵咸永道

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

## 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的所有資料(惟不包括綜合財務報表及我們的核數師報告)。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會並對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於對我們進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

## 董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定，編製真實而公平的綜合財務報表，以及董事釐定屬必要的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)及採用以持續經營為基礎的會計法，除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法則作別論。

審核委員會負責監督貴集團的財務報告流程。



羅兵咸永道

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## 核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）報告，除此以外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。





羅兵咸永道

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內主體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審核意見承擔全部責任。

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

我們與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及(如適用)已採取的行動以消除威脅或已應用的防範措施。

# 獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 12 March 2021

羅兵咸永道

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計合夥人為陶宏。

羅兵咸永道會計師事務所  
執業會計師

香港，二零二一年三月十二日

# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2020  
於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註			
<b>ASSETS</b>		<b>資產</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Freehold land	6	永久產權土地	167,794	170,005
Property, plant and equipment	7	物業、廠房及設備	8,894,136	9,445,725
Right-of-use assets	8	使用權資產	1,324,417	1,344,312
Intangible assets	9	無形資產	63,406	67,067
Investments accounted for using the equity method	10	以權益法入賬之投資	290,075	243,269
Deferred income tax assets	22	遞延所得稅資產	89,712	103,676
			<b>10,829,540</b>	11,374,054
<b>Current assets</b>		<b>流動資產</b>		
Inventories	12	存貨	3,795,718	5,100,090
Properties under development	12	發展中物業	228,680	227,580
Trade and bills receivables	13	應收貿易及票據款項	1,735,593	1,534,673
Prepayments, deposits and other receivables	14	預付款項、按金及其他應收賬款	512,358	798,492
Derivative financial instruments	20	衍生金融工具	111,167	287,435
Pledged bank deposits	15	已抵押銀行存款	260,610	21,478
Cash and cash equivalents	15	現金及現金等值物	2,683,613	1,830,859
			<b>9,327,739</b>	9,800,607
<b>Total assets</b>		<b>資產總值</b>	<b>20,157,279</b>	21,174,661
<b>EQUITY</b>		<b>權益</b>		
<b>Equity attributable to owners of the Company</b>		<b>本公司擁有人應佔權益</b>		
Share capital: nominal value	16	股本：面值	96,709	96,709
Share premium	16	股份溢價	433,777	433,777
Other reserves	18	其他儲備	942,310	905,019
Retained earnings	18	保留溢利	6,390,471	6,037,951
			<b>7,863,267</b>	7,473,456
<b>Non-controlling interests</b>		<b>非控制性權益</b>	<b>609,471</b>	625,919
<b>Total equity</b>		<b>權益總額</b>	<b>8,472,738</b>	8,099,375

# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

As at 31 December 2020  
於二零二零年十二月三十一日

	Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	19	3,225,622	4,925,007
Lease liabilities	8	125,229	135,386
Deferred income tax liabilities	22	292,659	287,461
Long-term payables	21	29,871	144,212
		<b>3,673,381</b>	5,492,066
<b>Current liabilities</b>			
Trade and bills payables	23	2,652,659	3,035,868
Contract liabilities		220,143	133,027
Accruals and other payables	24	811,632	797,958
Current income tax liabilities		69,984	96,879
Borrowings	19	3,837,481	3,359,616
Derivative financial instruments	20	234,704	29,530
Lease liabilities	8	60,516	35,770
Long-term payables due within 1 year	21	124,041	94,572
		<b>8,011,160</b>	7,583,220
<b>Total liabilities</b>		<b>11,684,541</b>	13,075,286
<b>Total equity and liabilities</b>		<b>20,157,279</b>	21,174,661

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 134 to 248 were approved by the Board of Directors on 12 March 2021 and the consolidated balance sheet was signed on its behalf by:

於第142至248頁之附註為此等綜合財務報表之一部分。

於第134至248頁之綜合財務報表已於二零二一年三月十二日獲董事會批准，並由下列董事代表董事會簽署其中的綜合資產負債表：

**Hong Tianzhu**  
Director

**Zhu Yongxiang**  
Director

洪天祝  
董事

朱永祥  
董事

# 綜合收益表

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

Year ended 31 December  
截至十二月三十一日止年度

		Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收入	5	19,576,938	22,002,943
Cost of sales	銷售成本	26	(16,869,820)	(19,009,506)
<b>Gross profit</b>	<b>毛利</b>		<b>2,707,118</b>	2,993,437
Selling and distribution costs	銷售及分銷開支	26	(752,298)	(847,204)
General and administrative expenses	一般及行政開支	26	(1,034,040)	(1,010,446)
Net accrual of impairment losses on financial assets	預提金融資產 減值虧損淨額	3.1(b)	(4,851)	(3,638)
Other income	其他收入	25	179,106	143,966
Other (losses)/gains — net	其他(虧損)/收益 — 淨額	25	(239,384)	358,346
<b>Operating profit</b>	<b>經營溢利</b>		<b>855,651</b>	1,634,461
Finance income	財務收入	28	50,774	28,467
Finance costs	財務費用	28	(270,689)	(576,218)
Finance costs — net	財務費用 — 淨額	28	(219,915)	(547,751)
Share of profits less losses of investments accounted for using the equity method	分佔使用權益法入賬之 投資溢利減虧損	10	45,124	28,090
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>680,860</b>	1,114,800
Income tax expense	所得稅開支	30	(150,506)	(192,051)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>530,354</b>	922,749
<b>Attributable to:</b>	<b>由以下各方應佔：</b>			
Owners of the Company	本公司擁有人		517,065	883,726
Non-controlling interests	非控制性權益		13,289	39,023
			<b>530,354</b>	922,749
<b>Earnings per share for profit attributable to owners of the Company</b>	<b>本公司擁有人應佔溢利之 每股盈利</b>			
— Basic earnings per share	— 每股基本盈利	31	RMB 人民幣 0.57	RMB 人民幣 0.97
— Diluted earnings per share	— 每股攤薄盈利	31	RMB 人民幣 0.56	RMB 人民幣 0.97

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

於第142至248頁之附註為此等綜合財務報表之一部分。



# 綜合全面收益表

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
<b>Profit for the year</b>	年度溢利	<b>530,354</b>	922,749
<b>Other comprehensive (losses)/ income</b>	其他全面(虧損)/收益		
<i>Item that will not be reclassified subsequently to profit or loss</i>	其後將不會重新分類至損益 之項目		
Revaluation of buildings	樓宇重估		
— gross	— 總額	—	210,988
— deferred income tax	— 遞延所得稅	—	(38,203)
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能會重新分類至損益 之項目		
Currency translation differences	貨幣兌換差額	18	2,296
<b>Total comprehensive income for the year</b>	年度全面收益總額	<b>528,331</b>	1,097,830
<b>Attributable to:</b>	由以下各方應佔：		
Owners of the Company	本公司擁有人	<b>515,042</b>	1,058,807
Non-controlling interests	非控制性權益	<b>13,289</b>	39,023
		<b>528,331</b>	1,097,830

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

於第142至248頁之附註為此等綜合財務報表之一部分。

# 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests 非控制性 權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利			
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
<b>Balance at 1 January 2019</b>	於二零一九年一月一日的結餘		96,709	433,777	712,893	5,495,258	98,185	6,836,822
<b>Comprehensive income</b>	全面收益							
Profit for the year	年度溢利		-	-	-	883,726	39,023	922,749
Other comprehensive income:	其他全面收益：							
Surplus on revaluation of buildings	樓宇重估盈餘							
— gross	— 總額			-	210,988	-	-	210,988
— deferred income tax	— 遞延所得稅		-	-	(38,203)	-	-	(38,203)
Currency translation differences	貨幣兌換差額	18	-	-	2,296	-	-	2,296
<b>Total comprehensive income for the year</b>	年度全面收益總額		-	-	175,081	883,726	39,023	1,097,830
<b>Transactions with owners</b>	與股權持有人之交易							
Non-controlling interests arising on business combinations	業務合併產生的非控制性權益		-	-	-	-	477,315	477,315
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	權益內非控制性權益儲備 交易中確認已支付 代價差額		-	-	(17,120)	-	11,396	(5,724)
Dividend relating to 2018	二零一八年之股息	32	-	-	-	(158,936)	-	(158,936)
Dividend relating to 2019	二零一九年之股息	32	-	-	-	(148,230)	-	(148,230)
Employee share option scheme	僱員購股權計劃	17	-	-	298	-	-	298
Transfer to statutory reserves	轉撥至法定儲備	18	-	-	38,125	(38,125)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利							
— gross	— 總額		-	-	(6,470)	6,470	-	-
— deferred income tax	— 遞延所得稅		-	-	2,212	(2,212)	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額		-	-	17,045	(341,033)	488,711	164,723
<b>Balance at 31 December 2019</b>	於二零一九年十二月三十一日的結餘		96,709	433,777	905,019	6,037,951	625,919	8,099,375

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

於第142至248頁之附註為此等綜合財務報表之一部分。

## 綜合權益變動表

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

		Note 附註	Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interests 非控制性 權益	Total equity 權益總額
			Share capital	Share premium	Other reserves	Retained earnings		
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
<b>Balance at 1 January 2020</b>	於二零二零年一月一日的結餘		<b>96,709</b>	<b>433,777</b>	<b>905,019</b>	<b>6,037,951</b>	<b>625,919</b>	<b>8,099,375</b>
<b>Comprehensive income</b>	全面收益							
Profit for the year	年度溢利		-	-	-	517,065	13,289	530,354
Other comprehensive income:	其他全面收益：							
Currency translation differences	貨幣兌換差額	18	-	-	(2,023)	-	-	(2,023)
<b>Total comprehensive income for the year</b>	年度全面收益總額		-	-	(2,023)	517,065	13,289	528,331
<b>Transactions with owners</b>	與股權持有人之交易							
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資		-	-	-	-	6	6
Dividend paid for non-controlling interests	向非控制性權益派付之股息		-	-	-	-	(29,743)	(29,743)
Dividend relating to 2019	二零一九年之股息	32	-	-	-	(125,364)	-	(125,364)
Employee share option scheme	僱員購股權計劃	17	-	-	133	-	-	133
Transfer to statutory reserves	轉撥至法定儲備	18	-	-	48,231	(48,231)	-	-
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利							
— gross	— 總額		-	-	(11,530)	11,530	-	-
— deferred income tax	— 遞延所得稅		-	-	2,480	(2,480)	-	-
<b>Total transactions with owners</b>	與股權持有人之交易總額		-	-	39,314	(164,545)	(29,737)	(154,968)
<b>Balance at 31 December 2020</b>	於二零二零年十二月三十一日的結餘		<b>96,709</b>	<b>433,777</b>	<b>942,310</b>	<b>6,390,471</b>	<b>609,471</b>	<b>8,472,738</b>

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

於第 142 至 248 頁之附註為此等綜合財務報表之一部分。

# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

Year ended 31 December

截至十二月三十一日止年度

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註			
<b>Cash flows from operating activities</b>	<b>來自經營活動的現金流量</b>			
Cash generated from operations	經營所產生之現金	33	<b>3,417,862</b>	2,602,807
Interest received	已收利息		<b>50,774</b>	28,467
Income tax paid	已付所得稅		<b>(167,851)</b>	(212,918)
Net cash generated from operating activities	經營活動所得現金淨額		<b>3,300,785</b>	2,418,356
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>			
Dividends received from joint venture entity	自合營企業實體收取的股息		<b>1,318</b>	-
Proceeds from disposal of subsidiaries	出售附屬公司所得款項		-	67,852
Investment in associates	投資聯營公司		<b>(3,000)</b>	(10,472)
Purchases of property, plant and equipment	購買物業、廠房及設備		<b>(660,232)</b>	(1,785,749)
Purchases of land use rights	購買土地使用權		-	(107,687)
Purchases of freehold land	購買永久產權土地		-	(34,740)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	33	<b>13,156</b>	14,472
Proceeds from sale of land use rights	出售土地使用權所得款項		<b>223</b>	-
Payments on acquisitions of subsidiaries, net of cash and cash equivalents acquired	收購附屬公司付款，扣除已收購現金及現金等值物		-	(25,409)
Purchases of financial instruments	購買金融工具		<b>(9,829)</b>	(67,120)
Net proceeds from settlement of financial instruments	金融工具結算所得款項淨額		<b>80,651</b>	9,565
Net cash used in investing activities	投資活動所耗現金淨額		<b>(577,713)</b>	(1,939,288)

## 綜合現金流量表

### CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
	Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Proceeds from borrowings	借貸所得款項	<b>6,777,463</b>	5,471,856
Repayments of borrowings	償還借貸	<b>(7,898,732)</b>	(4,433,830)
Principal elements of lease payments	租賃付款之本金部分	<b>(48,418)</b>	(33,782)
Dividends paid	已付股息	<b>(125,364)</b>	(307,166)
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	<b>6</b>	–
Dividend paid to non-controlling interests	向非控制性權益派付之股息	<b>(29,743)</b>	–
Interest paid	已付利息	<b>(353,531)</b>	(460,457)
(Increase)/Decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	<b>(191,999)</b>	60,449
	15		
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	<b>(1,870,318)</b>	297,070
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等值物增加淨額</b>	<b>852,754</b>	776,138
Cash and cash equivalents at beginning of the year	年初之現金及現金等值物	<b>1,830,859</b>	1,054,721
	15		
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等值物</b>	<b>2,683,613</b>	1,830,859
	15		

The notes on pages 142 to 248 are an integral part of these consolidated financial statements.

於第142至248頁之附註為此等綜合財務報表之一部分。



# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 1. GENERAL INFORMATION

Texhong Textile Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sales of yarn, grey fabrics, non-woven fabrics and garment fabrics as well as garments.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 9 December 2004.

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 12 March 2021.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 1. 一般資料

天虹紡織集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要業務為製造及銷售紗線、坯布、無紡布及面料和服裝。

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一間獲豁免有限公司。其註冊辦事處之地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

自從二零零四年十二月九日起，本公司股份已經在香港聯合交易所有限公司(「聯交所」)主板上市。

除另有說明外，該等綜合財務報表乃以人民幣(「人民幣」)呈報。該等綜合財務報表於二零二一年三月十二日獲董事會批准及授權刊發。

### 2. 重要會計政策概要

編製此等綜合財務報表採用的主要會計政策列載如下。除另有說明外，該等政策在所呈報的所有年度內已被貫徹應用。

#### 2.1 編製基準

本公司之綜合財務報表已根據所用適用香港財務報告準則(「香港財務報告準則」)編製，綜合財務報表按照歷史成本法編製，並就按公平值計入損益之樓宇、金融資產及金融負債(包括衍生工具)的重估(均按公平值列賬)而作出修訂。

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，於附註4披露。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures

##### (a) Amendments to HKFRSs adopted by the Group in 2020

A number of amendments to existing standards became applicable for the current reporting period. These amendments to existing standards did not give rise to any significant impact on the Group's financial statements. These amendments are set out below:

- (i) Amendments to HKAS 1 and HKAS 8 regarding definition of material

The HKICPA has made amendments to HKAS 1 'Presentation of Financial Statements' and HKAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' which use a consistent definition of materiality throughout Hong Kong Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in HKAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露

##### (a) 本集團於二零二零年採納之香港財務報告準則修訂

多項現有準則的修訂於本報告期間適用。該等現有準則的修訂並無對本集團的財務報表產生任何重大影響。該等修訂列示如下：

- (i) 香港會計準則第1號及香港會計準則第8號有關重大定義之修訂

香港會計師公會對香港會計準則第1號「財務報表列報」和香港會計準則第8號「會計政策、會計估計變更和差錯」進行了修訂，與香港財務報告準則和財務報告概念框架中使用一致的重要性定義，以澄清資料何時為重要，並於香港會計準則第1號中對非重要資料提供一些指引。

修訂中特別澄清：

- 提及模糊資料是指其影響類似於省略或遺漏該資料的情況，並且實體按整個財務報表的背景評估重要性，及
- 該等財務報表所針對「一般財務報表的主要用戶」的含義，通過將其定義為必須依賴一般財務報表以獲取所需財務資料的「現有和潛在投資者、貸方和其他債權人」。

# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

###### (a) Amendments to HKFRSs adopted by the Group in 2020 (Continued)

- (ii) Amendments to HKFRS 3 regarding definition of a business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

- (iii) Revised Conceptual Framework for Financial Reporting

The HKICPA has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

###### (a) 本集團於二零二零年採納之香港財務報告準則修訂(續)

- (ii) 香港財務報告準則第3號有關業務的定義之修訂

修訂後的業務定義要求收購包括投入和實質性流程，並一起對創建產出的能力做出重大貢獻。修改了「產出」一詞的定義，以集中於向客戶提供商品和服務而產生投資收益與其他收益，並且不包括以較低成本和其他經濟利益形式的收益。

該修訂將可能導致更多的收購作為資產收購入賬。

- (iii) 財務報告概念框架之修訂

香港會計師公會發佈了即時生效的概念框架之修訂，將用於標準制定決策。主要更改包括：

- 為財務報告目的突顯妥善管理的重要性
- 重申審慎作為中立的組成部分
- 定義報告實體，該實體可以是法人實體，或是實體的一部分
- 修訂資產和負債的定義

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

##### (a) Amendments to HKFRSs adopted by the Group in 2020 (Continued)

- (iii) Revised Conceptual Framework for Financial Reporting (Continued)
- removing the probability threshold for recognition and adding guidance on derecognition
  - adding guidance on different measurement basis, and
  - stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards.

- (iv) Amendments to HKFRS 7, HKFRS 9 and HKAS 39 regarding interest rate benchmark reform

The amendments made to HKFRS 7 'Financial Instruments: Disclosures', HKFRS 9 'Financial Instruments' and HKAS 39 'Financial Instruments: Recognition and Measurement' provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving Inter Bank Offered Rate based contracts, the reliefs will affect companies in all industries.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

##### (a) 本集團於二零二零年採納之香港財務報告準則修訂(續)

- (iii) 財務報告概念框架之修訂(續)
- 刪除確認的概率閾值及增加終止確認的指導
  - 增加有關不同測量基礎的指導，及
  - 列出損益為主要的績效指標，原則上，應將其他綜合中的收入和支出重新利用，以增強財務報表的相關性或忠實表述。

現時的任何會計準則都不會更改。

- (iv) 香港財務報告準則第7號、香港財務報告準則第9號及香港會計準則第39號有關利率基準變革之修訂

香港財務報告準則第7號「金融工具：披露事項」、香港財務報告準則第9號「金融工具」及香港會計準則第39號「金融工具：認列與衡量」有關利率基準變革的修訂提供一定的緩衝期。

該緩衝期針對對沖會計，其效果是利率基準變革一般不應導致對沖會計終止。但是，任何無效性的對沖均應繼續在收益表中記錄。鑑於涉及銀行間同業拆借利率的合約的對沖的普遍性，該緩衝期將影響所有行業的公司。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

##### (a) Amendments to HKFRSs adopted by the Group in 2020 (Continued)

- (v) Amendments to HKFRS 16 regarding Covid-19-related rent concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the HKICPA made an amendment to HKFRS 16 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

This amendment is effective on 1 June 2020.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

##### (a) 本集團於二零二零年採納之香港財務報告準則修訂(續)

- (v) 香港財務報告準則第16號有關新型冠狀病毒肺炎之相關租金寬減之修訂  
因為新型冠狀病毒肺炎疫情，承租人可獲租金寬減。租金寬減的不同形式包括寬免或遞延租賃付款。於二零二零年五月，香港會計師公會就香港財務報告準則第16號「租賃」作出修訂，允許承租人選擇不將合資格的租金寬減視為租賃修訂。在許多情況下，租金寬減會不時於獲取期間以變動租金入賬。

實體必須披露是否應用可行權宜方法，以及是否對所有合資格的租金寬減應用可行權宜方法。否則，必須提供應用可行權宜方法的合約性質的相關資料，並於損益表中確認因租金寬減而產生的金額。

此修訂於二零二零年六月一日生效。



## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policies and disclosures (Continued)

(b) The following new standard and amendments to HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group:

- (i) Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual periods beginning on or after 1 January 2022 (possibly deferred to 1 January 2023).
- (ii) Amendments to HKAS 16 regarding property, plant and equipment, proceeds before intended use, effective for annual periods beginning on or after 1 January 2022.
- (iii) Amendments to HKAS 37 regarding onerous contracts — cost of fulfilling a contract, effective for annual periods beginning on or after 1 January 2022.
- (iv) Amendments to HKFRS 3 regarding reference to the conceptual framework, effective for annual periods beginning on or after 1 January 2022.
- (v) HKFRS 17 'Insurance Contracts', effective for annual periods beginning on or after 1 January 2023.
- (vi) Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture, originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.
- (vii) Annual Improvements to HKFRS Standards 2018–2020, effective for annual periods beginning on or after 1 January 2022.

### 2. 重要會計政策概要(續)

#### 2.1 編製基準(續)

##### 會計政策變更及披露(續)

(b) 以下已頒佈的香港財務報告準則的新訂準則及修訂但尚未於二零二零年一月一日起之財政年度生效，且未獲本集團提前採納：

- (i) 香港會計準則第1號有關將負債分類為流動或非流動之修訂，自二零二零年一月一日或之後起年度期間生效(可能遞延至二零二三年一月一日)。
- (ii) 香港會計準則第16號有關物業、廠房及設備於作擬定用途前之所得款項之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iii) 香港會計準則第37號有關虧損性合約 — 履行合約之成本之修訂，自二零二零年一月一日或之後起年度期間生效。
- (iv) 香港財務報告準則第3號有關概念框架之提述之修訂，自二零二零年一月一日或之後起年度期間生效。
- (v) 香港財務報告準則第17號「保險合約」，自二零二三年一月一日或之後起年度期間生效。
- (vi) 香港財務報告準則第10號及香港會計準則第28號關於投資者與其聯營公司或合營企業之間的資產出售或注資之修訂，原訂自二零一六年一月一日或之後起年度期間生效。有關生效日期現已押後/刪除。
- (vii) 香港財務報告準則二零一八年至二零二零年之年度改進，自二零二零年一月一日或之後起年度期間生效。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

(a) A subsidiary is an entity (including a structured entity) over which the group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (b) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司

#### 2.2.1 綜合賬目

(a) 附屬公司指本集團對其有控制權之實體(包括結構實體)。於本集團藉對實體之參與而面臨可變回報之風險或取得可變回報之權利，並藉對該實體行使權力而有能力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移予本集團當日起綜合入賬，並由控制權終止當日起停止綜合入賬。

#### (b) 業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所產生負債及本集團所發行股權的公平值。轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

本集團以逐項收購為基礎，確認於被收購方的任何非控制性權益。屬於現時擁有權權益並賦予持有人在清盤時按比例分佔主體淨資產的被收購方的非控制性權益，可按公平值或現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日的公平值計量，除非香港財務報告準則規定須以其他計量基準計算。

收購相關成本於產生時支銷。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (b) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.9). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合賬目(續)

##### (b) 業務合併(續)

若業務合併分階段進行，則收購方先前所持被收購方權益於收購日期的賬面值按收購日期公平值重新計量，源於有關重新估值之任何收益或虧損於損益中確認。

本集團所轉讓的任何或然代價於收購日期按公平值確認。或然代價(視作一項資產或負債)公平值的其後變動根據香港會計準則第39號於損益確認，或計作其他全面收益變動。歸類為權益而並無重新計量之或然代價及其後續償付於權益中入賬。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股權於收購日期的公平值高於所收購可辨認資產淨值的公平值時，其差額以商譽列賬(附註2.9)。就議價購買而言，如轉讓代價、已確認非控制性權益及先前持有的權益計量總額低於所收購附屬公司資產淨值的公平值，其差額將直接在綜合收益表中確認。

集團內部交易、結存及集團內公司間的交易之未變現收益，均予以對銷。除非有關交易提供已轉讓資產減值證據，否則未變現虧損亦予以對銷。如有需要，附屬公司所呈報之金額已經調整，以貫徹本集團之會計政策。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 綜合賬目(續)

(c) *不導致控制權改變之附屬公司所有者權益變動*

不導致失去控制權之非控制性權益交易入賬列作權益交易 — 即以彼等為擁有人之身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額於權益入賬。向非控制性權益出售之盈虧亦於權益入賬。

(d) *出售附屬公司*

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額重新分類至損益。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Impairment testing of the investments in subsidiaries is also required according to Note 2.10.

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carry amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## 2. 重要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.2 獨立財務報表

於附屬公司之投資乃按成本扣除減值入賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準入賬。

倘自附屬公司收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘獨立財務報表的投資賬面值超出綜合財務報表所示被投資公司資產淨值(包括商譽)的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

根據附註2.10，亦須對於該等附屬公司的投資進行減值測試。

### 2.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。聯營公司投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。收購聯營公司之擁有權權益時，聯營公司之成本與本集團應佔聯營公司可識別資產及負債公平淨值間之差額入賬為商譽。

如果對聯營公司的擁有權減少但仍存在重大影響，則先前於其他全面收益確認的金額僅有按比例計算的份額重新分類至損益(如適用)。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profits less losses of investments accounted for using the equity method' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interests in associates are recognised in the consolidated income statement.

## 2. 重要會計政策概要(續)

### 2.3 聯營公司(續)

本集團收購後應佔的溢利或虧損於綜合收益表內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超過所持聯營公司的權益(包括任何其他無抵押應收款項)，除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於綜合收益表「分佔使用權益法入賬之投資溢利減虧損」確認有關金額。

本集團及其聯營公司之間之上游及下游交易所產生溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司的會計政策會作出改變，以確保與本集團所採納的政策保持一致。

聯營公司股權被攤薄時之盈虧於綜合收益表確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Committee of Executive Directors of the Company that makes strategic decisions.

## 2. 重要會計政策概要(續)

### 2.4 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合約權益和責任而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據會計權益法，合營企業權益初步以成本確認，其後經調整以確認本集團分佔的收購後溢利或虧損以及其他全面收益變動的份額。本集團對合營企業的投資包括在收購時已識別的商譽。在收購合營企業的擁有權時，合營企業成本與本集團分佔合營企業可識別資產和負債的公平淨值之差額入賬為商譽。當本集團分佔某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何其他無抵押應收款項)，則本集團不會確認進一步虧損，除非本集團已產生責任或已代合營企業付款。

本集團與其合營企業之間的未變現交易收益按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已於有需要時變更以符合本集團採納的政策。

### 2.5 分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現之主要經營決策者已確定為作出策略決策之本公司之執行董事委員會。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income and costs — net'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains — net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

## 2. 重要會計政策概要(續)

### 2.6 外幣換算

#### (a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運地區之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

#### (b) 交易及結餘

外幣交易均按交易當日或估值當日(倘項目再計量)之匯率換算為功能貨幣。此等交易結算以及按年結日之匯率換算外幣資產和負債而產生的匯兌收益及虧損，均於綜合全面收益表內確認。

有關借貸和現金及現金等值物之匯兌收益及虧損於綜合收益表中「財務收入及費用 — 淨額」一項中呈列。所有其他匯兌收益及虧損於綜合收益表中「其他(虧損)/收益 — 淨額」中呈列。

以外幣為單位且分類為可供出售的債務證券的公平值變動，按照證券的攤銷成本變動以及該證券賬面值的其他變動所產生的匯兌差額分析。與攤銷成本變動有關的匯兌差額於損益內確認，而賬面值的其他變動於其他全面收益內確認。

非貨幣金融資產及負債(例如按公平值計入損益之股本)之匯兌差額於損益內確認為公平值盈虧之一部份。非貨幣金融資產(例如分類為可供出售之股本)之匯兌差額計入其他全面收益內。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Foreign currency translation (Continued)

#### (c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

## 2. 重要會計政策概要(續)

### 2.6 外幣換算(續)

#### (c) 集團公司

功能貨幣與呈報貨幣不同的所有本集團內實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為呈報貨幣：

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合收益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的貨幣兌換差額於其他全面收益內確認。

綜合入賬時，換算海外實體任何投資淨額以及指定為該等投資之對沖項目的借貸及其他金融工具產生之匯兌差額於其他全面收益確認。於出售境外業務或償還投資淨額的任何借貸時，相關匯兌差額重新分類至損益，作為出售損益之一部分。

收購國外實體產生之商譽及公平值調整，作為國外實體之資產及負債處理，並按收市匯率兌換。所產生之貨幣兌換差額於其他全面收益確認。

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Property, plant and equipment

Buildings comprise mainly factories and offices. Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to the consolidated income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated income statement and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

— Buildings	15 to 40 years	2.5%–6.7%
— Machinery and equipment	6 to 15 years	6.7%–16.7%
— Furniture and fixtures	3 to 10 years	10.0%–33.3%
— Motor vehicles	5 to 7 years	14.0%–20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2. 重要會計政策概要(續)

### 2.7 物業、廠房及設備

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。在重估日期的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔的開支。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時於該財務期間之綜合收益表扣除。

樓宇重估後之賬面增值於其他全面收益確認。與同一資產先前增值對銷的減值部分，於其他全面收益中扣除；餘下之所有減值額則於綜合收益表內扣除。每年，根據於綜合收益表扣除之資產的重估賬面值得出之折舊，與根據資產原來成本得出之折舊的差額乃從「重估儲備」撥轉至「保留溢利」。

物業、廠房及設備的折舊以直線法計算，以分配其成本值或重估值至其於估計可使用年期之剩餘價值如下：

— 樓宇	15至40年	2.5%–6.7%
— 機器及設備	6至15年	6.7%–16.7%
— 傢俬及裝置	3至10年	10.0%–33.3%
— 汽車	5至7年	14.0%–20.0%

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains — net' in the consolidated income statement.

When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at cost, which includes construction expenditures incurred, cost of machinery, interest capitalised and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed and put into use. On completion, construction-in-progress is transferred to appropriate categories of property, plant and equipment.

### 2.8 Freehold land

Freehold land is not amortized.

### 2.9 Intangible assets

#### (i) Goodwill

Goodwill is measured as described in note 2.2.1. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

## 2. 重要會計政策概要(續)

### 2.7 物業、廠房及設備(續)

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額(附註2.10)。

出售之盈利及虧損是按出售所得款項與有關資產賬面值之差額而釐定，並於綜合收益表中「其他(虧損)/收益—淨額」中確認。

重估資產售出後，重估儲備內的金額轉移至保留溢利。

在建工程指未完成建築工程的樓宇及未安裝的機器，按成本入賬，包括所產生建築開支、機器成本、資本化利息及建築與安裝期間其他直接資本化成本，而扣減累計減值虧損(如有)。於建築及安裝工程完成及投入使用前不會就在建工程作出折舊。當工程完成後，在建工程轉撥至適當物業、廠房及設備類別。

### 2.8 永久產權土地

永久產權土地並無攤銷。

### 2.9 無形資產

#### (i) 商譽

商譽按附註2.2.1所述計量。收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減去累計減值損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Intangible assets (Continued)

#### (i) Goodwill (Continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### (ii) Customer relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### (iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Customer relationship	15 years
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### 2.10 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2. 重要會計政策概要(續)

### 2.9 無形資產(續)

#### (i) 商譽(續)

商譽會被分配至現金產生單位以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即經營分部)確認。

#### (ii) 客戶關係

在業務合併中購入的客戶關係按購買日的公平值確認。客戶關係的可用年期有限，隨後按成本減累積攤銷及減值虧損列賬。

#### (iii) 攤銷方法及期間

本集團使用直線法按下列期間對具有限定可使用年期之無形資產予以攤銷：

客戶關係	15年
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### 2.10 附屬公司、聯營公司及合營企業的投資及非金融資產減值

可使用年期不確定之資產不予攤銷並每年進行減值測試。當任何事件發生或環境變化預示其賬面值可能無法收回時，會對須予攤銷之資產進行減值測試。若某項資產的賬面值超過其可收回金額時，會就其差額確認減值虧損。資產的可收回金額為公平值減出售成本與其可使用價值中較高者。評估資產減值時，資產按可單獨分辨的最小現金流量(現金產生單位)予以分類。除商譽外減值的非金融資產將於各報告日期檢討撥回減值的可能性。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.11 Financial assets

##### 2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### 2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### 2. 重要會計政策概要(續)

#### 2.11 金融資產

##### 2.11.1 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公平值(不論計入其他全面收益(「其他全面收益」)或計入損益)計量；及
- 按攤餘成本計量。

分類視乎實體處理金融資產及現金流合約年期之業務模式。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。就並非持作買賣的股本工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將股本投資以按公平值計入其他全面收益計量(「按公平值計入其他全面收益」)入賬。

本集團只限於當管理該等資產的業務模式改變時重新分類債務投資。

##### 2.11.2 確認及終止確認

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。當從金融資產收取現金流量的權利到期或已轉讓，而本集團已轉讓所有權的絕大部分風險及報酬時，則終止確認金融資產。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

## 2. 重要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.3 計量

於初步確認時，本集團按公平值計量金融資產。倘金融資產並非按公平值計入損益(「按公平值計入損益」)記賬，則加上收購該金融資產直接應佔的交易成本。按公平值計入損益列值的金融資產的交易成本於損益中列作開支。

在確定具有嵌入衍生工具的金融資產的現金流量是否純粹為本金及利息付款時，需從金融資產的整體考慮。

#### 債務工具

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認並於其他收益／(虧損)中呈列，連同匯兌收益及虧損。減值虧損於損益表中呈列為獨立項目。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.3 Measurement (Continued)

##### Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## 2. 重要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.3 計量(續)

##### 債務工具(續)

- 按公平值計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公平值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收入及匯兌損益於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益/(虧損)確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益/(虧損)呈列，而減值開支在收益表中呈列為獨立項目。
- 按公平值計入損益：不符合攤銷成本或按公平值計入其他全面收益標準的資產乃以按公平值計入損益計量。隨後按公平值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益/(虧損)中呈列為淨值。

##### 股本工具

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公平值計入損益的金融資產公平值變動於損益表確認為其他虧損(按適用情況)。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (continued)

#### 2.11.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 13 for further details.

### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement within 'other (losses)/gains — net'.

## 2. 重要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.4 減值

本集團對有關其按攤銷成本列賬及按公平值計入其他全面收益之債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

就應收貿易款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，更多詳情請參閱附註13。

### 2.12 抵銷金融工具

當有可合法強制執行權力抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在資產負債表呈報有關淨額。可合法強制執行權利不得取決於未來事件而定，且須在一般業務過程中以及倘本公司或對手方一旦出現拖欠還款、無償債能力或破產時可強制執行。

### 2.13 衍生金融工具

衍生工具最初於訂立衍生工具合同當日按公平值確認，其後於各報告期末重新計量至其公平值。確認所得盈虧方法，取決於衍生工具是否界定為對沖工具及倘屬對沖工具，則取決於被對沖項目性質。本集團持有之衍生工具並不符合對沖會計所指的衍生工具，並透過損益以公平值列賬。任何不符合對沖會計的衍生工具的公平值變動，會即時於綜合收益表中「其他(虧損)/收益—淨額」確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.14 Government grants/subsidies

Grants/subsidies from government authorities are recognised at their fair value where there is a reasonable assurance that the grant/subsidies will be received and the Group will comply with all attached conditions.

Government grants/subsidies relating to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants/subsidies relating to compensation for relocation are deferred and recognised in the consolidated income statement over the period when the relocation takes place.

### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.16 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

## 2. 重要會計政策概要(續)

### 2.14 政府補助／補貼

假若可合理地確定本集團將獲得政府補助／補貼，以及符合所有附帶之條件，政府補助／補貼以公平值確認入賬。

與資產有關之政府補助／補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償之政府補助／補貼遞延處理，並於搬遷進行之期間在綜合收益表中確認。

### 2.15 存貨

存貨以成本及可變現淨值之較低者列賬。成本以加權平均法釐定。產成品及在產品的成本包括原材料、直接勞工、其他直接成本及相關間接生產費用(根據正常經營能力計算)，而不包括借貸費用。可變現淨值為日常業務過程中的估計售價(扣除適用可變銷售費用)。

### 2.16 發展中物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值考慮最終預期將會變現之價格，並扣除適用可變銷售開支及預計完成成本。

物業之發展成本包括於發展期內產生之土地使用權成本、建築成本、借貸成本及專業費用。於落成時，該等物業乃轉撥至已落成待售物業。

發展中物業乃分類為流動資產，除非相關物業發展項目之建築期預期會於經營週期之後完成。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

### 2.18 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks.

### 2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2. 重要會計政策概要(續)

### 2.17 應收貿易款項及其他應收賬款

應收貿易款項為在日常業務過程中就售出商品或所提供服務應收客戶之款項。倘應收貿易款項及其他應收賬款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

應收貿易款項及其他應收賬款初步按無條件代價金額確認,除非其包含重大融資成分,並按公平值確認。本集團持有應收貿易款項及其他應收賬款,目的是收取合約現金流量,因此以實際利率法按攤銷成本計量。

### 2.18 現金及現金等值物

在綜合現金流量表中,現金及現金等值物包括手頭現金及銀行通知存款。

### 2.19 股本

普通股分類列為權益。

與發行新股或購股權直接有關的增量成本,列入權益作為所得款項的減值(扣除稅項)。

### 2.20 應付貿易款項

應付貿易款項為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付賬款於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易款項最初按公平值確認,其後以實際利率法按攤銷成本計量。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### 2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2. 重要會計政策概要(續)

#### 2.21 借貸

借貸最初按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬，如扣除交易成本後之所得款項及贖回價值出現差額，則於借貸期內以實際利率法在綜合收益表內確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少12個月，否則借貸分類為流動負債。

#### 2.22 借貸成本

直接歸屬於購建或生產合資格資產(該等資產需經較長時間方能達至擬定用途或出售狀態)的一般及特定借貸成本，計入該等資產之成本，直至大致達至其擬定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

#### 2.23 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項在綜合收益表中確認，除非其涉及其他全面收益或直接在權益中確認之項目。在此情況下，稅項亦分別在其他全面收益或直接在權益中確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Current and deferred income tax (Continued)

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2. 重要會計政策概要(續)

### 2.23 即期及遞延所得稅(續)

#### (a) 即期所得稅

即期所得稅費用根據於結算日本公司之附屬公司及聯營公司經營並獲得應課稅收入所在的國家已經頒佈或實際上已頒佈的稅法計算。管理層定期評估適用稅法規定之情況下的納稅申報情況，並且就應付稅務機關的金額作出適當撥備。

#### (b) 遞延所得稅

##### *內在基準差異*

遞延所得稅以負債法就資產及負債的評稅基準與其於綜合財務報表內的賬面值兩者間的暫時差異予以確認。然而，倘遞延稅項負債源自初步確認商譽則不予確認。此外，倘遞延所得稅來自進行交易時初始確認的資產或負債(如屬業務合併則除外)而於進行交易之時並不影響會計或應課稅溢利或虧損，則不確認遞延所得稅。遞延所得稅乃根據於結算日前已頒佈或實際上已頒佈而預期當有關遞延所得稅資產已變現後或遞延所得稅負債已清償後將應用的有關稅率(及法例)釐定。

遞延所得稅資產只會在未來應課稅溢利有可能用作抵銷暫時差異時才會確認。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

##### Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

### 2.24 Employee benefits

#### (a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2. 重要會計政策概要(續)

### 2.23 即期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

##### 外在基準差異

遞延所得稅負債須就投資於附屬公司及聯營公司而引致的應課稅暫時差異作出撥備，惟集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。本集團一般無法控制聯營公司臨時差異之撥回，僅於可見將來訂立協議賦予本集團能力，可控制臨時差異之撥回，源於聯營公司未分派溢利之應課稅臨時差異之遞延稅項負債不予確認。

僅於暫時差額可能將於日後撥回，且有充足之應課稅溢利而動用暫時差額，方會就於附屬公司及聯營公司投資產生之可扣減暫時差額，確認遞延所得稅資產。

### 2.24 僱員福利

#### (a) 僱員所享有假期

僱員所享有的年假當僱員可享有時確認，並因應僱員截至結算日所提供服务而就年假的估計承擔金額作出撥備。僱員所享有的病期及產假於休假時方會確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Employee benefits (Continued)

#### (b) Pension obligations (defined contribution plans)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (c) Bonus plan

The Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.25 Share-based payments

#### Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

## 2. 重要會計政策概要(續)

### 2.24 僱員福利(續)

#### (b) 退休金承擔(定額供款計劃)

定額供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。

本集團以強制、合約或自願基準向公營或私營管理的退休保險計劃作出供款。一旦作出供款，本集團並無進一步付款責任。該等供款於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

#### (c) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

### 2.25 以股份為基礎之付款

#### 以權益結算以股份為基礎之付款交易

本集團設有一項以權益結算以股份為基礎之酬金計劃，據此，實體視僱員所提供服務為本集團權益工具(購股權)的代價。僱員就獲授購股權所提供服務的公平值確認為開支。將予支銷總金額參照所授出購股權的公平值而釐定：

- 包括任何市場表現條件，例如實體的股價；
- 不包括任何服務及非市場表現歸屬條件的影響，例如盈利能力、銷售增長目標及在特定時限內留聘實體僱員；及

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.25 Share-based payments (Continued)

#### Equity-settled share-based payment transactions (Continued)

- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

### 2.26 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2. 重要會計政策概要(續)

### 2.25 以股份為基礎之付款(續)

以權益結算以股份為基礎之付款交易(續)

- 包括任何非歸屬條件的影響，例如在特定時限內規定僱員儲蓄或持有股份。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬之購股權數目所作之估計，並在綜合收益表確認修訂原來估計產生之影響(如有)，並對權益作出相應調整。

此外，在部分情況下，僱員可在授出日期之前提供服務，故授出日期的公平值就確認服務開始期與授出日期的期間內的開支作出估計。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

### 2.26 撥備

倘本集團因過往事件而有現時法律或推定責任，並可能須動用資源履行有關責任，且能可靠估計相關金額，則確認撥備。撥備不就未來營運虧損確認。

如有多項類似責任，其需要在償付中流出資源的可能性根據責任的類別整體考慮。即使同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備以預期用以償付責任的開支，按反映當時市場對金錢時間價值的評估及該責任的特有風險的稅前費率計算的現值計量。因時間過去而增加的撥備確認為利息開支。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Revenue recognition

#### (a) Sales of goods

The Group manufactures and sells yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments in the market. Sales are recognised when control of the products has transferred, being when the customer has inspected and accepted the products. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Delivery occurs when the products have been shipped to the specific location.

If discount is granted to customers, revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant financing component is deemed present as the sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice.

A receivable is usually recognised when revenue recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the payments exceed the value of the goods sold, a contract liability is recognised.

#### (b) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## 2. 重要會計政策概要(續)

### 2.27 收入確認

#### (a) 貨品銷售

本集團製造及在市場銷售紗線、坯布、無紡布和面料及服裝。銷售於產品的控制權轉移時(即客戶已驗收產品時)確認。本集團預期於轉交承諾的產品予客戶時至客戶付款超過一年期間並無任何合約。於產品已運送至指定地點時即屬交付落實。

倘向客戶授予折扣，該等銷售的收入乃基於合約規定的價格，經扣除估計折扣後確認。本公司使用累積的經驗估計及提供折扣，且收入僅於重大撥回極大可能不會產生時確認。由於給予中國內地客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例，故不會被視為存在重大融資成分。

應收款項通常於收入確認時確認，原因是代價於這時間點變為無條件，僅須待時間過去便可收取付款。

倘付款超過所售貨品的價值，則確認合約負債。

#### (b) 利息收入

按實際利率法計算的按攤銷成本列賬的金融資產的利息收入在綜合收益表中確認為其他收入的一部分。利息收入呈列為財務收入，其來自為現金管理目的而持有的金融資產。任何其他利息收入均包括在其他收入中。

利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就出現信貸減值的金融資產而言，實際利率適用於金融資產的賬面淨值(扣除虧損撥備後)。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.28 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, were included in finance lease obligations. The interest element of the finance cost was charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the shorter of the useful life of the asset and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

## 2. 重要會計政策概要(續)

### 2.28 租賃

租賃於租賃資產可供本集團使用之日確認為使用權資產及相應負債。

本集團租賃若干物業、廠房及設備。如本集團大致上承受擁有權的所有風險和回報，則物業、廠房及設備的租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業的公平值與最低租賃付款現值兩者之中較低者資本化。每項租金均分攤為負債及財務支出。相應租金責任在扣除財務支出後計入融資租賃承擔。財務成本的利息部分於租賃期內在綜合收益表中支銷，以計算出每期剩餘負債的固定周期利率。根據融資租賃而獲得的物業、廠房及設備按資產的可使用年期與租賃期兩者之中較短者進行折舊。

租賃產生的資產及負債初步按現值計量。租賃負債包括固定付款(包括實質固定付款)的淨現值。

根據合理確定的延期選擇權支付的租賃付款也包括在負債計量中。

租賃付款按照租賃內含利率貼現。如果無法確定該利率(此情況普遍存在於本集團租賃中)，則應採用承租人的增量借貸利率，即個別承租人為在類似經濟環境下獲得價值相近的資產，以類似條款、抵押和條件借入資金而必須支付的利率。



### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.28 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

### 2. 重要會計政策概要(續)

#### 2.28 租賃(續)

為釐定增量借貸利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租賃的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額；及
- 於開始日期或之前所作的任何租賃付款減任何已收租賃優惠

使用權資產一般按資產的可使用年期與租賃期兩者之中較短者以直線法進行折舊。倘本集團合理確定行使採購選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團對物業、廠房及設備中呈列的土地及樓宇進行重估，但對於本集團持有的使用權樓宇則不予重估。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.28 Leases (Continued)

All land in the Mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land. The premiums paid for such right are treated as prepayment for operating lease and recorded at cost as right-of-use assets, which are depreciated over the lease periods using the straight-line method.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### 2.29 Earnings per share

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2. 重要會計政策概要(續)

### 2.28 租賃(續)

中國內地的所有土地均屬國有，不存在任何個人土地擁有權。本集團取得使用若干土地的權利。就有關權利支付的地價視為經營租賃的預付款項，並以成本列作使用權資產，於租賃期內以直線法折舊。

與設備及汽車短期租賃及低價值資產所有租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公傢俬。

### 2.29 每股盈利

#### (a) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於公司擁有人之溢利，不包括普通股以外之任何支付權益成本除以
- 於財政年度內發行在外普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

#### (b) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為發行在外額外普通股加權平均數。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain of its risk exposures on changes in interest rates.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group mainly operates in Mainland China and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB or United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group is exposed to foreign exchange risk primarily through pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings that are denominated in a currency other than the functional currency of the relevant group entity. It manages its foreign exchange risks by performing regular review and monitoring of its foreign exchange exposures and purchase of foreign exchange forward contracts (Note 20). In 2020, the Group has entered into the forward foreign exchange contracts and cross currency swap contracts to manage the expected fluctuation of RMB against USD or HKD.

## 2. 重要會計政策概要(續)

### 2.30 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(倘適用)批准的期間於本集團及本公司的財務報表內確認為負債。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的業務面對多種財務風險(包括外匯風險、價格風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團的風險管理著重金融市場的不可預計因素，並尋求將可能對本集團財政表現產生負面影響的因素降至最低。本集團利用衍生金融工具以對沖利率變動而產生的若干風險。

#### (a) 市場風險

##### (i) 外匯風險

本集團主要在中國內地及越南營運。本集團大部分交易、資產及負債以人民幣或美元(「美元」)計值。外匯風險來自於未來海外業務中的商業交易、已確認資產及負債及投資淨額。本集團面對的外匯風險，主要來自已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項及借貸，因前述各項均以相關集團實體之功能貨幣以外之貨幣結算。本集團進行定期檢討及監察其外匯敞口和購買遠期外匯合約(附註20)以管理其外匯風險。於二零二零年，本集團已簽訂遠期外匯合約及交叉貨幣掉期合約以管理人民幣兌美元或港元的預期波動。

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

At 31 December 2020, if RMB had weakened/strengthened by 6.5% (2019: 1.6%) against USD with all other variable held constant, post-tax profit for the year would have been RMB117,637,000 (2019: RMB36,976,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings.

At 31 December 2020, if RMB had weakened/strengthened by 6.1% (2019: 2.2%) against HKD with all other variable held constant, post-tax profit for the year would have been RMB194,982,000 (2019: RMB114,963,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of HKD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables, and borrowings.

###### (ii) Price risk

The Group is exposed to raw material price risk because of the volatility of the price of main raw material, cotton. The management of the Group analyze the trend of raw material price on weekly basis. To manage its price risk, the Group has entered into the cotton future contracts and cotton option contracts and decide to enter long term contracts to mitigate the impact from raw material price changes, and diversify the suppliers if they expect significant fluctuation in the future.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (i) 外匯風險(續)

於二零二零年十二月三十一日，倘人民幣兌美元的匯率貶值／升值6.5%(二零一九年：1.6%)，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣117,637,000元(二零一九年：人民幣36,976,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益淨額所致。

於二零二零年十二月三十一日，倘人民幣兌港元的匯率貶值／升值6.1%(二零一九年：2.2%)，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣194,982,000元(二零一九年：人民幣114,963,000元)，主要由於匯兌以港元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益淨額所致。

###### (ii) 價格風險

本集團所面對的原材料價格風險乃由於主要原材料—棉花的價格波動所致。本集團管理層每週分析原材料的價格趨勢。倘彼等預期日後將出現大幅波動，為管理該價格風險，本集團已訂立棉花期貨合約和棉花期權合約並決定訂立長期合約以降低原材料價格變動的影響，以及使供應商多元化以應對未來價格的重大波動。

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (iii) Cash flow and fair value interest rate risk

Except for pledged bank deposits and cash at bank (Note 15), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. As at 31 December 2020, approximately 28% (2019: 22%) of the Group's borrowings were at fixed rates and the remaining were at floating rates.

The Group manages certain of its cash flow and fair value interest rate risk by purchasing cross currency swap contracts. Such cross currency swaps have the economic effect of converting borrowings from floating rates to fixed rates. As at 31 December 2020 and 2019, the Group in substance converted majority of its borrowings from floating rates to fixed rates through purchasing cross currency swap contracts. So there is no significant interest rate risk for the Group.

##### (b) Credit risk

The Group has more than 5,000 customers and does not rely on the orders from certain customers. So the Group has no significant concentration of credit risk. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 現金流量及公平值利率風險

除已抵押銀行存款及銀行現金(附註15)外，本集團並無重大計息資產。大部分本集團的收入及經營現金流量均獨立於市場利率變動。管理層預期計息資產的利率變動將不會產生重大影響。

本集團的利率風險來自借貸。按浮息獲取的借貸令本集團面對現金流量利率風險，按定息獲取的借貸則令本集團面對公平值利率風險。於二零二零年十二月三十一日，本集團約28%（二零一九年：22%）之借貸為定息，其餘為浮息。

本集團透過購買交叉貨幣掉期合約而管理其若干現金流量及公平值利率風險。該交叉貨幣掉期之經濟影響為將借貸由浮息轉為定息。於二零二零年及二零一九年十二月三十一日，本集團實質上通過購買交叉貨幣掉期合約將其大多數借貸由浮息轉為定息。因此本集團無重大利率風險。

##### (b) 信貸風險

本集團有超過5,000名客戶，並不倚賴若干客戶的訂單。故此，本集團並無重大集中信貸風險。已抵押銀行存款、現金及現金等值物、應收貿易及票據款項以及其他應收賬款的賬面值指本集團就其金融資產所須面對的最大信貸風險。



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### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The Group's management performs periodic credit evaluations/reviews of its customers and ensure that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in Mainland China and Hong Kong, to limit the amount of credit exposure to any financial institution.

Trade and bills receivables, and other receivables are subject to the expected credit loss model.

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, 100% (2019: 100%) of the bills receivable of the Group are endorsed by banks as at 31 December 2020.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

本集團通常授出少於90日的信貸期予中國內地的客戶，以及授出少於120日的信貸期予其他國家的客戶。本集團管理層定期對其客戶進行信貸評估／檢討，並確保向具合適信貸記錄之客戶銷貨。本集團將存款存於中國內地及香港的主要銀行，以限制承擔任何一間金融機構的信貸風險金額。

應收貿易及票據款項及其他應收賬款須遵守預期信貸虧損模式。

為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供5%之按金。另外，於二零二零年十二月三十一日，100%（二零一九年：100%）之本集團應收票據由銀行背書。

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### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### Impairment of trade receivables

The Group has trade receivables from sales of products that are subject to HKFRS 9's new expected credit loss model. The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 31 December 2020 was determined as follows for trade receivables:

		Within 180 days 180日內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	1 year to 2 years 1年至2年 RMB'000 人民幣千元	Over 2 years 超過2年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>					
Gross carrying amount	賬面總值	<b>849,875</b>	<b>17,057</b>	<b>9,793</b>	<b>4,728</b>	<b>881,453</b>
Expected loss rate	預期虧損率	<b>0.63%</b>	<b>18.82%</b>	<b>19.14%</b>	<b>98.67%</b>	<b>1.71%</b>
Loss allowance	虧損撥備	<b>5,328</b>	<b>3,210</b>	<b>1,874</b>	<b>4,665</b>	<b>15,077</b>

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

###### Net impairment losses on financial assets recognised in profit or loss

During the year, losses of RMB4,851,000 (2019: RMB3,638,000) are recognised in net accrual of impairment losses on financial assets.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

###### 應收貿易款項減值

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售應收貿易款項。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有應收貿易款項撥備整個存續期內的預期虧損。為計量預期信貸虧損，應收貿易款項已根據攤佔信貸風險特點及賬齡分類。預期虧損率基於二零二零年十二月三十一日前36個月期間銷售的付款情況及本期間內出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。按此基準，於二零二零年十二月三十一日的應收貿易款項虧損撥備乃釐定如下：

應收貿易款項的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目。

###### 於損益確認的金融資產減值虧損淨額

年內，人民幣4,851,000元(二零一九年：人民幣3,638,000元)的虧損於預提金融資產減值虧損淨額確認。

# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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截至二零二零年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Details of the undrawn borrowing facilities available to the Group are disclosed in Note 19 to the consolidated financial statements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>				
Borrowings	借貸	3,837,481	1,802,628	1,422,994	-
Interest payable on borrowings	借貸應付利息	128,527	67,128	39,390	-
Derivative financial instruments	衍生金融工具	234,704	-	-	-
Trade and bills payables	應付貿易及票據款項	2,652,659	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他 應付賬款(不包括 非金融負債)	387,587	-	-	-
Lease liabilities	租賃負債	66,683	51,981	51,363	37,879
Long-term payables	長期應付賬款	129,936	30,726	-	-
		<b>7,437,577</b>	<b>1,952,463</b>	<b>1,513,747</b>	<b>37,879</b>
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>				
Borrowings	借貸	3,359,616	2,904,576	2,020,431	-
Interest payable on borrowings	借貸應付利息	279,116	156,926	62,242	-
Derivative financial instruments	衍生金融工具	29,530	-	-	-
Trade and bills payables	應付貿易及票據款項	3,035,868	-	-	-
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他應付賬款 (不包括非金融負債)	408,106	-	-	-
Lease liabilities	租賃負債	41,365	36,662	64,569	53,519
Long-term payables	長期應付賬款	105,693	120,236	30,726	-
		<b>7,259,294</b>	<b>3,218,400</b>	<b>2,177,968</b>	<b>53,519</b>

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險

本集團採取審慎的流動資金風險管理，透過充裕的已承諾信貸融資保持足夠現金及可動用的資金。本集團旨在透過維持可用的已承諾信貸融資，以保持資金之靈活彈性。有關本集團的未動用借貸融資詳情於綜合財務報表附註19中披露。

下表載列本集團的金融負債分析，此乃按相關到期組別並根據由結算日至合約到期日的剩餘期間進行分析。表內披露的金額為合約性未貼現的現金流量。

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截至二零二零年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet), lease liabilities and long-term payables less pledged bank deposits and cash and total equivalents. Total capital is calculated as 'total equity' as shown in the consolidated balance sheet less non-controlling interests plus net debt.

The net gearing ratios at 31 December 2020 and 2019 are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total borrowings (Note 19)	借貸總額(附註19)	7,063,103	8,284,623
Lease liabilities (Note 8)	租賃負債(附註8)	185,745	171,156
Long-term payables (Note 21)	長期應付賬款(附註21)	153,912	238,784
Less: pledged bank deposits and cash and cash equivalents (Note 15)	減：已抵押銀行存款及現金及現金等值物(附註15)	(2,944,223)	(1,852,337)
Net debt	負債淨額	4,458,537	6,842,226
Total equity excluding non-controlling interests	總權益，扣除非控制性權益	7,863,267	7,473,456
Total capital	資本總額	12,321,804	14,315,682
Net gearing ratio	淨資產負債比率	36%	48%

### 3. 財務風險管理(續)

#### 3.2 資金風險管理

本集團管理資金的目標為保障本集團持續經營的能力，為股東帶來回報及為其他權益持有人帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

與業內其他公司一樣，本集團利用資產負債比率監察資本。此比率以負債淨額除以資本總額計算。負債淨額以借貸總額(包括綜合資產負債表內列示之「流動及非流動借貸」、租賃負債及長期應付賬款減已抵押銀行存款及現金及現金等值物計算。資本總額以綜合資產負債表內列示之「總權益」扣除非控制性權益加負債淨額計算。

於二零二零年及二零一九年十二月三十一日之淨資產負債比率如下：

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

##### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2020 and 2019, the Group held forward foreign exchange contracts, cross currency swap contracts, cotton future contracts and cotton option contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. Cotton future contracts and cotton option contracts are fair valued using forward cotton price that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

### 3. 財務風險管理(續)

#### 3.3 公平值估計

##### 公平值等級

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除報價(計入第一級)外，資產或負債之直接(如價格)或間接(如源自價格者)可觀察輸入資料(第二級)。
- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

於二零二零年及二零一九年十二月三十一日，本集團持有遠期外匯合約、交叉貨幣掉期合約、棉花期貨合約及棉花期權合約。該等遠期外匯合約以活躍市場報價的遠期匯率計算公平值。交叉貨幣掉期乃使用活躍市場報價的遠期匯率及從可觀察收益曲線摘錄的利率計算公平值。棉花期貨合約及棉花期權合約乃使用活躍市場報價的遠期棉花價格計算公平值。折現一般對第二級衍生工具並無重大影響。



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#### 3. FINANCIAL RISK MANAGEMENT (Continued)

##### 3.3 Fair value estimation (Continued)

##### Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2020 and 2019:

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	111,167	-	111,167
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	234,704	-	234,704
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>				
<b>Assets</b>	<b>資產</b>				
Derivative financial instruments	衍生金融工具	-	287,435	-	287,435
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具	-	29,530	-	29,530

#### 3. 財務風險管理(續)

##### 3.3 公平值估計(續)

##### 公平值等級(續)

下表載列本集團於二零二零年及二零一九年十二月三十一日按公平值計量之資產及負債：

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### 4.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change as a result of technical innovations and competitors action in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives, and actual residual values may differ from estimated residual values. Periodic reviews could result in a change in depreciable lives and residual values and therefore changes in depreciation expenses in the future periods.

#### 4.2 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

### 4. 關鍵會計估計及判斷

各項估計及判斷均持續評估，並根據歷史經驗及其他因素（包括於各種情況下對未來事件被認為合理之預期）評估。

本集團作出有關未來情況的估計及假設，按照定義，會計估計結果一般將不會相等於有關實際結果。估計及假設對於就下一個財政年度內的資產及負債賬面值作出重大調整而構成的重大風險討論如下。

#### 4.1 物業、廠房及設備之估計可使用年期及剩餘價值

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及剩餘價值以及相關折舊費用。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗而釐定，並可能因技術創新及競爭對手為回應嚴峻行業週期採取之行動而有改變。當可使用年期少於先前之估計年期，管理層將增加折舊費用，或將撇銷或撇減已報廢或出售之技術廢舊或非策略性資產。實際經濟年期可能與估計之可使用年期不同，而實際剩餘價值可能與估計之剩餘價值不同。定期檢討可能使可折舊年期及剩餘價值出現變動，因而引致未來期間之折舊開支有變。

#### 4.2 存貨之可變現淨值

存貨之可變現淨值乃經扣除完成之估計成本及銷售開支後之日常業務估計售價。該等估計乃基於現行市況及製造與銷售性質類似產品之過往經驗而定，可能會因技術創新、客戶喜好改變及競爭對手為回應嚴峻行業週期採取之行動而出現重大變動。管理層於各結算日重新評估該等估計。

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.3 Impairment of trade and bills receivables

The Group's management determines the provision for impairment of trade and bills receivables based on the expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

#### 4.4 Estimated impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of comprehensive income.

### 4. 關鍵會計估計及判斷(續)

#### 4.3 應收貿易及票據款項減值

本集團管理層根據預期信貸虧損釐定應收貿易及票據款項減值撥備，而對所有應收貿易及票據款項使用整個存續期的預期虧損撥備。金融資產的虧損撥備基於對違約風險及預期虧損率的假設。於各報告期末，管理層根據本集團過往歷史、當前市場狀況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層於各結算日重新評估撥備。

#### 4.4 物業、廠房及設備估計減值

當有事件出現或情況改變顯示賬面值可能無法收回時，檢討物業、廠房及設備有否減值。可收回金額按使用價值計算法或市值釐定。於該等計算中須作出判斷及估計。

管理層須於檢討資產減值時作出判斷，尤其是在估計下列各項時：(i) 有否顯示有關資產價值可能無法收回的事件出現；(ii) 資產賬面值有否可收回金額，即公平值減銷售成本與假設繼續於業務中使用有關資產而可得之估計未來現金流量現值淨額的較高者；及(iii) 預測現金流量時應用的適當主要假設，包括有關現金流量預測有否根據適當比率貼現。管理層估計減值時選用的假設(包括現金流量預測的貼現率或增長率假設)的變動可能對減值測試中的現值淨額有重大影響，繼而影響本集團財務狀況及經營業績。倘預測表現及相應的未來現金流量預測有重大不利變動，則或須於綜合收益表中列出減值開支。

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### 4.5 Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

#### 5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Committee of Executive Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Committee of Executive Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance from sales of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments.

Due to the continuous improvement of the regional integration process, the Group shows homogeneity of operation and management in the same geographical area. As a consequence, the Committee of Executive Directors integrated the segment information in the same area.

#### 4. 關鍵會計估計及判斷(續)

##### 4.5 所得稅及遞延所得稅

本集團須於若干司法管轄區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在正常業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據估計附加稅是否將到期而確認預期發出的審核稅負債。倘該等事項的最終稅務後果與最初記錄金額不同，差額將影響作出此等釐定期間的所得稅及遞延稅項撥備。

凡管理層認為日後極可能有應課稅溢利用作抵銷暫時差額或稅項虧損，則若干暫時差額及稅項虧損有關的遞延稅項資產將予確認。倘預期金額與原定估計不同，則該差額將會影響該估計出現變動期間的遞延稅項資產及所得稅支出的確認。

#### 5. 分部資料

主要經營決策者被視為本公司執行董事委員會。經營分部以向主要經營決策者提供內部呈報一致的形式呈報。執行董事委員會審閱本集團之內部申報，以評估表現及分配資源。管理層已根據該等報告釐定經營分部。

執行董事委員會認為業務可按產品及地區前景分類。管理層從產品角度評估紗線、坯布、無紡布、面料和服裝之銷售表現。

由於區域一體化進程不斷改善，本集團在同一地理區域內展現經營及管理均一性。因此，執行董事委員會對同一區域的分部資料予以整合。

# 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The scope of the operating segments has been modified following the changes in management responsibilities as from 1 January 2020. China now includes Mainland China, Hong Kong and Macao. Southeast Asia now includes Vietnam and Cambodia. Americas now includes United States, Mexico and Nicaragua.

2019 comparative information has been restated.

The Committee of Executive Directors assesses the performance of the operating segments based on revenue and operating profit.

The segment information for the year ended 31 December 2020 is as follows:

### 5. 分部資料(續)

自二零二零年一月一日起，隨著管理職責變化，經營分部的範圍已有所修改。中國現包括中國內地、香港及澳門。東南亞現包括越南及柬埔寨。美洲現包括美國、墨西哥及尼加拉瓜。

二零一九年比較資料已經重列。

執行董事委員會根據收入及經營溢利評估經營分部之業績。

截至二零二零年十二月三十一日止年度之分部資料如下：

		Year ended 31 December 2020											
		截至二零二零年十二月三十一日止年度											
		Yarns				Garment fabrics and Garments			Grey fabrics		Non-woven fabrics		Total
		紗線				面料及服裝			坯布		無紡布		總額
Southeast		Southeast		Southeast		Southeast		Southeast		Southeast			
China	Asia	Americas	Others	China	Asia	Americas	China	Asia	China	Asia			
中國	東南亞	美洲	其他	中國	東南亞	美洲	中國	東南亞	中國	東南亞			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total revenue	總收入	19,694,736	7,044,903	19,535	172,314	3,090,115	678,469	756,862	625,724	381,558	56,105	60,010	32,580,331
Inter-segment revenue	分部間收入	(5,185,193)	(6,524,519)	(19,535)	-	(106,159)	(528,971)	(74,128)	(129,806)	(380,675)	-	(54,407)	(13,003,393)
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	<b>14,509,543</b>	<b>520,384</b>	<b>-</b>	<b>172,314</b>	<b>2,983,956</b>	<b>149,498</b>	<b>682,734</b>	<b>495,918</b>	<b>883</b>	<b>56,105</b>	<b>5,603</b>	<b>19,576,938</b>
Timing of revenue recognition	收入確認時間												
— At a point in time	— 於某個時間點	14,509,543	520,384	-	172,314	2,983,956	149,498	682,734	495,918	883	56,105	5,603	19,576,938
<b>Segment results</b>	<b>分部業績</b>	<b>435,296</b>	<b>385,254</b>	<b>(17,908)</b>	<b>(20,432)</b>	<b>129,222</b>	<b>47,627</b>	<b>(14,070)</b>	<b>9,048</b>	<b>9,715</b>	<b>944</b>	<b>12,598</b>	<b>977,294</b>
Unallocated losses	未分配虧損												(121,643)
<b>Operating profit</b>	<b>經營溢利</b>												<b>855,651</b>
Finance income	財務收入												50,774
Finance costs	財務費用												(270,689)
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利減虧損												45,124
Income tax expense	所得稅開支												(150,506)
<b>Profit for the period</b>	<b>期內溢利</b>												<b>530,354</b>
Depreciation and amortisation	折舊及攤銷	(447,376)	(332,851)	(832)	(15,533)	(103,770)	(44,592)	(21,873)	(7,685)	(23,477)	-	(5,681)	(1,003,670)



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For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment information for the year ended 31 December 2019 is restated as follows:

### 5. 分部資料(續)

截至二零一九年十二月三十一日止年度之分部資料重列如下：

		Year ended 31 December 2019 (Restated) 截至二零一九年十二月三十一日止年度(重列)									
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額
		Southeast		Americas	Others	Southeast			China	Asia	
		China	Asia	Americas	Others	China	Asia	Americas	China	Asia	
		中國	東南亞	美洲	其他	中國	東南亞	美洲	中國	東南亞	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total revenue	總收入	21,583,366	8,189,565	-	94,036	3,770,914	892,394	939,366	988,799	565,893	37,024,333
Inter-segment revenue	分部間收入	(5,581,915)	(7,570,760)	-	-	(93,694)	(803,478)	(1,27,347)	(278,530)	(565,666)	(15,021,390)
<b>Revenue (from external customers)</b>	<b>收入(來自外部客戶)</b>	16,001,451	618,805	-	94,036	3,677,220	88,916	812,019	710,269	227	22,002,943
Timing of revenue recognition — At a point in time	收入確認時間 — 於某個時間點	16,001,451	618,805	-	94,036	3,677,220	88,916	812,019	710,269	227	22,002,943
<b>Segment results</b>	<b>分部業績</b>	585,775	357,937	(5,247)	(13,783)	371,841	(14,639)	(10,026)	43,875	16,378	1,332,111
Unallocated profits	未分配溢利										302,350
<b>Operating profit</b>	<b>經營溢利</b>										1,634,461
Finance income	財務收入										28,467
Finance costs	財務費用										(576,218)
Share of profits less losses of investments accounted for using the equity method	分佔以權益法入賬之 投資的溢利減虧損										28,090
Income tax expense	所得稅開支										(192,051)
Profit for the period	期內溢利										922,749
Depreciation and amortisation	折舊及攤銷	(387,675)	(312,126)	(467)	(5,285)	(79,910)	(67,972)	(22,095)	(15,786)	(31,375)	(922,691)

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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截至二零二零年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2020 are as follows:

### 5. 分部資料(續)

於二零二零年十二月三十一日之分部資產及負債如下：

		As at 31 December 2020 於二零二零年十二月三十一日											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast				Southeast			Southeast		Southeast		
		China 中國	Asia 東南亞	Americas 美洲	Others 其他	China 中國	Asia 東南亞	Americas 美洲	China 中國	Asia 東南亞	China 中國	Asia 東南亞	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Total segment assets</b>	<b>分部總資產</b>	9,309,102	4,156,144	397,829	396,007	3,206,076	986,656	615,563	174,788	271,633	10,884	578,669	20,103,351
Unallocated assets	未分配資產												53,928
<b>Total assets of the Group</b>	<b>本集團總資產</b>												<b>20,157,279</b>
<b>Total segment liabilities</b>	<b>分部總負債</b>	(3,668,124)	(2,369,948)	(336,565)	(365,684)	(736,773)	(816,676)	(396,447)	(59,681)	(257,611)	(422)	(425,143)	(9,433,074)
Unallocated liabilities	未分配負債												(2,251,467)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>												<b>(11,684,541)</b>
<b>Addition to non-current assets</b>	<b>添置非流動資產</b>	115,379	32,815	32,026	14,349	103,838	71,667	48,509	171	-	-	121,041	539,795

The Group planned to develop real estate and has purchased relevant land use rights with lease terms of 40 to 70 years of RMB228,680,000. No construction had started till 31 December 2020, such land use rights were recognised in unallocated assets.

本集團計劃開發房地產並已購買租約為40至70年的相關土地使用權人民幣228,680,000元。截至二零二零年十二月三十一日尚未開始施工，故而該土地使用權於未分配資產內確認。

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2019 are restated as follows:

### 5. 分部資料(續)

於二零一九年十二月三十一日之分部資產及負債重列如下：

		As at 31 December 2019 (Restated) 於二零一九年十二月三十一日(重列)									
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Total 總額
		Southeast		Americas	Others	Southeast			Southeast		
		China 中國	Asia 東南亞	美洲	其他	China 中國	Asia 東南亞	美洲	China 中國	Asia 東南亞	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Total segment assets</b>	<b>分部總資產</b>	9,480,505	4,535,545	387,345	379,097	3,602,748	790,260	532,858	331,183	786,312	20,825,853
Unallocated assets	未分配資產										348,808
<b>Total assets of the Group</b>	<b>本集團總資產</b>										<b>21,174,661</b>
<b>Total segment liabilities</b>	<b>分部總負債</b>	(4,088,377)	(1,153,862)	(236,327)	(106,279)	(690,417)	(426,182)	(283,146)	(26,254)	(358,896)	(7,369,740)
Unallocated liabilities	未分配負債										(5,705,546)
<b>Total liabilities of the Group</b>	<b>本集團總負債</b>										<b>(13,075,286)</b>
<b>Addition to non-current assets</b>	<b>添置非流動資產</b>	722,080	130,970	420,069	165,508	59,901	180,138	115,234	10,562	296,856	2,101,318

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

#### 6. FREEHOLD LAND AND LAND USE RIGHTS

#### 6. 永久產權土地及土地使用權

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Freehold land	永久產權土地	<b>167,794</b>	170,005

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	<b>170,005</b>	1,011,183
Adjustment for change in accounting policy	會計政策變更的調整	-	(877,045)
Restated opening net book amount	重列年初賬面淨值	<b>170,005</b>	134,138
Additions	添置	-	34,740
Currency translation differences	貨幣匯兌差額	<b>(2,211)</b>	1,127
Closing net book amount	年末賬面淨值	<b>167,794</b>	170,005

The Group's freehold land cost is analysed as follows:

本集團之永久產權土地地價分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Freehold land	永久產權土地		
— In Cambodia	— 於柬埔寨	<b>119,443</b>	116,257
— In Turkey	— 於土耳其	<b>19,511</b>	20,847
— In Mexico	— 於墨西哥	<b>14,048</b>	15,020
— In Uruguay	— 於烏拉圭	<b>9,755</b>	10,073
— In Nicaragua	— 於尼加拉瓜	<b>5,037</b>	7,808
		<b>167,794</b>	170,005

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 7. PROPERTY, PLANT AND EQUIPMENT

### 7. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 1 January 2019</b>	於二零一九年一月一日						
Cost or valuation	成本或估值	3,015,122	7,082,672	86,769	50,683	905,219	11,140,465
Accumulated depreciation	累計折舊	(472,738)	(2,879,281)	(43,728)	(27,797)	-	(3,423,544)
Net book amount	賬面淨值	2,542,384	4,203,391	43,041	22,886	905,219	7,716,921
<b>Year ended 31 December 2019</b>	截至二零一九年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	2,542,384	4,203,391	43,041	22,886	905,219	7,716,921
Adjustment for change in accounting policy	會計政策變更的調整	-	(17,409)	-	-	-	(17,409)
Restated opening net book amount	重列年初賬面淨值	2,542,384	4,185,982	43,041	22,886	905,219	7,699,512
Additions	添置	21,115	319,100	16,928	5,353	1,575,630	1,938,126
Revaluation	重估	210,988	-	-	-	-	210,988
Acquisition of subsidiaries	收購附屬公司	331,642	184,739	6,928	3,839	-	527,148
Transfers	轉讓	331,162	811,488	8,062	1,200	(1,151,912)	-
Disposals (Note 33)	出售(附註33)	(129)	(19,562)	(206)	(128)	-	(20,025)
Depreciation charges (Note 26)	折舊支出(附註26)	(154,245)	(681,001)	(14,702)	(7,247)	-	(857,195)
Disposal of subsidiaries	出售附屬公司	(57,027)	-	-	-	-	(57,027)
Currency translation differences	貨幣匯兌差額	2,308	1,265	655	(30)	-	4,198
Closing net book amount	年末賬面淨值	3,228,198	4,802,011	60,706	25,873	1,328,937	9,445,725
<b>At 31 December 2019</b>	於二零一九年 十二月三十一日						
Cost or valuation	成本或估值	3,847,420	8,300,346	115,139	59,205	1,328,937	13,651,047
Accumulated depreciation	累計折舊	(619,222)	(3,498,335)	(54,433)	(33,332)	-	(4,205,322)
Net book amount	賬面淨值	3,228,198	4,802,011	60,706	25,873	1,328,937	9,445,725



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截至二零二零年十二月三十一日止年度

#### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### 7. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Year ended 31 December 2020</b>	<b>截至二零二零年 十二月三十一日止年度</b>						
Opening net book amount	年初賬面淨值	3,228,198	4,802,011	60,706	25,873	1,328,937	9,445,725
Additions	添置	4,088	28,595	4,901	3,803	440,068	481,455
Transfers	轉讓	318,669	882,139	215	2,589	(1,203,612)	-
Disposals (Note 33)	出售(附註33)	(3,986)	(13,946)	(1,103)	(1,410)	-	(20,445)
Depreciation charges (Note 26)	折舊支出(附註26)	(159,020)	(744,839)	(15,877)	(7,041)	-	(926,777)
Impairment charges (Note 26)	減值支出(附註26)	-	(16,863)	-	-	-	(16,863)
Currency translation differences	貨幣匯兌差額	(22,208)	(11,686)	(527)	(7)	(34,531)	(68,959)
Closing net book amount	年末賬面淨值	3,365,741	4,925,411	48,315	23,807	530,862	8,894,136
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>						
Cost or valuation	成本或估值	4,129,468	9,070,279	113,965	59,749	530,862	13,904,323
Accumulated depreciation and impairment charges	累計折舊及減值支出	(763,727)	(4,144,868)	(65,650)	(35,942)	-	(5,010,187)
Net book amount	賬面淨值	3,365,741	4,925,411	48,315	23,807	530,862	8,894,136

Buildings are shown at fair value, based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation. As at 31 December 2019, buildings with net book amount of RMB3,228,198,000 were stated at fair value. The Group did not revalue the buildings as at 31 December 2020, because in the opinion of the directors, the net book amount of RMB3,365,741,000 as at 31 December 2020 for such buildings did not differ materially from which would be determined using fair value.

The valuation performed as at 31 December 2019 was determined using the depreciated replacement costs approach and was within level 3 of the fair value hierarchy. Current gross reproduction costs of the buildings are adjusted for physical deterioration and all relevant forms of obsolescence and optimization.

樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。於二零一九年十二月三十一日,賬面淨值為人民幣3,228,198,000元之樓宇按公平值列賬。本集團於二零二零年十二月三十一日並無對樓宇進行重估,乃由於董事認為有關樓宇於二零二零年十二月三十一日的賬面淨值人民幣3,365,741,000元與採用公平值所釐定者並無重大差異。

二零一九年十二月三十一日進行之估值乃採用折舊重置成本法釐定,並歸入公平值層級第三級內。樓宇目前的整體複製成本已就實體老化及所有陳舊及優化相關形式作出調整。

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

#### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

The revaluation surplus, net of applicable deferred income tax liabilities, was regarded as other comprehensive income and credited to revaluation reserve in equity (Note 18).

If buildings were stated on historical cost basis, the amounts would be as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost	成本	3,819,189	3,537,141
Accumulated depreciation	累計折舊	(740,268)	(595,763)
Net book amount	賬面淨值	3,078,921	2,941,378

During the year ended 31 December 2020, depreciation of RMB838,759,000 (2019: RMB785,213,000) was included in cost of sales, RMB4,557,000 (2019: RMB5,432,000) was included in selling and distribution costs and RMB83,461,000 (2019: RMB66,550,000) was included in general and administrative expenses.

During the year ended 31 December 2020, no finance cost was capitalised as part of property, plant and equipment (2019: Nil).

As at 31 December 2020, no property, plant and equipment (2019: a net amount of RMB709,529,000) were pledged as collateral of the Group's bank borrowings (Note 19).

#### 7. 物業、廠房及設備(續)

重估盈餘扣除適用的遞延所得稅負債，作為其他全面收益並已計入權益內的重估儲備(附註18)。

倘樓宇以歷史成本法列賬，金額將為如下：

於截至二零二零年十二月三十一日止年度，人民幣838,759,000元(二零一九年：人民幣785,213,000元)的折舊已計入銷售成本，人民幣4,557,000元(二零一九年：人民幣5,432,000元)的折舊已計入銷售及分銷開支及人民幣83,461,000元(二零一九年：人民幣66,550,000元)的折舊已計入一般及行政開支。

於截至二零二零年十二月三十一日止年度，概無財務費用(二零一九年：無)資本化為物業、廠房及設備之一部分。

於二零二零年十二月三十一日，概無物業、廠房及設備(二零一九年：淨額人民幣709,529,000元)已抵押為本集團銀行借貸的抵押品(附註19)。

## 綜合財務報表附註

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

#### 8. LEASES

##### (i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Right-of-use assets</b>	<b>使用權資產</b>		
Land use rights	土地使用權	1,147,878	1,178,793
Buildings and warehouses	樓宇及倉庫	133,021	115,422
Equipment and others	設備及其他	43,518	50,097
		<b>1,324,417</b>	1,344,312
Current lease liabilities	即期租賃負債	60,516	35,770
Non-current lease liabilities	非即期租賃負債	125,229	135,386
<b>Total lease liabilities</b>	<b>租賃負債總額</b>	<b>185,745</b>	171,156

Additions to the right-of-use assets during the 2020 financial year were RMB58,340,000 (2019: RMB320,294,000).

The Group leases various machinery and equipment under finance lease agreement. The original lease terms are 3 to 4 years. Under the terms of the leases, the lessors transfer ownership of the assets to the Group by the end of the lease term.

#### 8. 租賃

##### (i) 以下為已於綜合資產負債表確認的金額：

與租賃相關的金額載於綜合資產負債表如下：

二零二零年財政年度使用權資產增加人民幣58,340,000元(二零一九年：人民幣320,294,000元)。

本集團根據融資租賃協議租賃各種機器及設備。最初租賃期限為3至4年。根據租賃條款，出租人應在租賃期限屆滿前將資產的所有權轉讓給本集團。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 8. LEASES (Continued)

#### (ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Depreciation charge of right-of-use assets</b>	<b>使用權資產折舊費用</b>		
Land use rights	土地使用權	<b>27,207</b>	23,498
Buildings and warehouses	樓宇及倉庫	<b>38,988</b>	31,476
Equipment and others	設備及其他	<b>7,037</b>	6,861
		<b>73,232</b>	61,835
Interest expense (included in finance cost) (Note 28)	利息開支(計入財務費用)(附註28)	<b>6,215</b>	6,077
Expense relating to short-term leases (included in selling and distribution costs and administrative expenses) (Note 26)	有關短期租賃的開支(計入銷售及分銷開支以及行政開支)(附註26)	<b>2,577</b>	9,115
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses) (Note 26)	有關未列示為上述短期租賃的低價值資產租賃的開支(計入銷售成本及行政開支)(附註26)	<b>137</b>	399

The total cash outflow for leases in 2020 was RMB51,132,000 (2019: RMB157,060,000).

### 8. 租賃(續)

#### (ii) 已於綜合收益表確認的金額

綜合收益表列示以下有關租賃的款項：

二零二零年的租賃現金流出總額為人民幣51,132,000元(二零一九年：人民幣157,060,000元)。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 9. INTANGIBLE ASSETS

### 9. 無形資產

		<b>Goodwill</b> 商譽 RMB'000 人民幣千元	<b>Customer relationship</b> 客戶關係 RMB'000 人民幣千元	<b>Total</b> 總計 RMB'000 人民幣千元
<b>At 1 January 2019</b>	<b>於二零一九年一月一日</b>			
Cost	成本	17,641	54,918	72,559
Accumulated depreciation	累計折舊	–	(1,831)	(1,831)
Net book amount	賬面淨值	17,641	53,087	70,728
<b>Year ended 31 December 2019</b>	<b>截至二零一九年 十二月三十一日止年度</b>			
Opening net book amount	年初賬面淨值	17,641	53,087	70,728
Amortisation charges (Note 26)	攤銷開支(附註26)	–	(3,661)	(3,661)
Closing net book amount	年末賬面淨值	17,641	49,426	67,067
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>			
Cost or valuation	成本或估值	17,641	54,918	72,559
Accumulated amortisation	累計攤銷	–	(5,492)	(5,492)
Net book amount	賬面淨值	17,641	49,426	67,067
<b>Year ended 31 December 2020</b>	<b>截至二零二零年 十二月三十一日止年度</b>			
Opening net book amount	年初賬面淨值	17,641	49,426	67,067
Amortisation charges (Note 26)	攤銷開支(附註26)	–	(3,661)	(3,661)
Closing net book amount	年末賬面淨值	17,641	45,765	63,406
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>			
Cost or valuation	成本或估值	17,641	54,918	72,559
Accumulated amortisation	累計攤銷	–	(9,153)	(9,153)
Net book amount	賬面淨值	17,641	45,765	63,406

During the year ended 31 December 2020, amortisation of RMB3,661,000 (2019: RMB3,661,000) was included in general and administrative expenses.

截至二零二零年十二月三十一日止年度，攤銷人民幣3,661,000元(二零一九年：人民幣3,661,000元)已計入一般及行政開支。



## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Associates	聯營公司	286,228	238,560
Joint ventures	合營企業	3,847	4,709
At 31 December	於十二月三十一日	290,075	243,269

The amounts recognised in the consolidated income statement are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Associates	聯營公司	44,668	27,257
Joint ventures	合營企業	456	833
For the year ended 31 December	截至十二月三十一日止年度	45,124	28,090

#### Investments in associates

#### 於聯營公司的投資

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Share of net assets of unlisted associates	分佔非上市聯營公司資產淨值	286,037	238,369
Goodwill	商譽	191	191
		286,228	238,560

### 10. 以權益法列賬的投資

以下為已於綜合資產負債表確認的金額：

以下為已於綜合收益表確認的金額：

## 綜合財務報表附註

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

#### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

##### Investments in associates (Continued)

Movements of shares of net assets attributable to the Group are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening amount	期初金額	238,369	200,640
Additions	添置	3,000	10,472
Share of profits less losses based on equity held	根據所持的權益應佔溢利減虧損	44,668	27,257
Closing amount	期末金額	286,037	238,369

On 9 March 2020, the Group acquired 30% interest of Jiangsu Dasheng Intelligence Technology Development Co., Ltd, a company engaged in manufacturing and sale of textile products in China, for a consideration of RMB3,000,000. The Group's share of the fair value of net assets acquired at incorporation date on aggregation was RMB3,000,000.

There are no contingent liabilities relating to the Group's interests in the associates.

Set out below are the associates of the Group as at 31 December 2020 which, in the opinion of the directors, are individually immaterial to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

#### 10. 以權益法列賬的投資(續)

##### 於聯營公司的投資(續)

本集團應佔資產淨值變動如下：

於二零二零年三月九日，本集團以代價人民幣3,000,000元取得江蘇大生智能科技發展有限公司(一間於中國從事製造及銷售紡織品的公司)的30%權益。於成立日期，本集團應佔所取得資產淨值的公平值合共為人民幣3,000,000元。

本集團於聯營公司的權益並無任何或然負債。

以下為於二零二零年十二月三十一日，董事認為個別對本集團並不重要之本集團聯營公司。下列聯營公司之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

## 綜合財務報表附註

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020  
截至二零二零年十二月三十一日止年度

### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### Investments in associates (Continued)

Nature of investments in associates as at 31 December 2020:

### 10. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

於二零二零年十二月三十一日，於聯營公司投資的性質：

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Nantong Textile Group Co., Ltd.	Nantong, Mainland China, 11 September 2002, limited liability company	Manufacturing and sales of top-grade textile knitting products and garments	RMB116,375,000	48%
南通紡織控股集團紡織染有限公司	中國內地南通，二零二零年九月十一日，有限責任公司	製造及銷售高級紡織產品及成衣	人民幣 116,375,000元	48%
Hongyan Vietnam Holdings Limited	British Virgin Islands, 2 July 2015, limited liability company	Investment holding in British Virgin Islands	RMB166,167,000	45%
鴻雁越南控股有限公司	英屬處女群島，二零一五年七月二日，有限責任公司	於英屬處女群島進行投資控股	人民幣 166,167,000元	45%
Henglun International (Hong Kong) Limited	Hong Kong, 11 June 2019, limited liability company	Investment holding in Hong Kong	USD5,000,000	30%
恒綸國際(香港)有限公司	香港，二零一九年六月十一日，有限責任公司	於香港進行投資控股	5,000,000美元	30%
Hualida Vietnam (Quang Ninh) Holdings Limited	Hong Kong, 16 November 2018, limited liability company	Investment holding in Hong Kong	HKD20,000	45%
華利達越南(廣寧)控股有限公司	香港，二零一八年十一月十六日，有限責任公司	於香港進行投資控股	20,000港元	45%
Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	Nantong, Mainland China, 9 March 2020, limited liability company	Manufacturing and sales of textile products	RMB10,000,000	30%
江蘇大生智能科技發展有限公司	中國內地南通，二零二零年三月九日，有限責任公司	製造及銷售紡織品	人民幣 10,000,000元	30%

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截至二零二零年十二月三十一日止年度

### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### Investments in associates (Continued)

### 10. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

Name of associate 聯營公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Subsidiaries of Hongyan Vietnam Holdings Limited 鴻雁越南控股有限公司之附屬公司				
— Lanyan Denim Garment Vietnam Holdings Limited — 蘭雁牛仔服裝越南控股有限公司	Hong Kong, 2 June 2015, limited liability company 香港，二零一五年六月二日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	HKD100 100 港元	45%
— Hualida (Vietnam) Garments Limited Company — 華利達(越南)服裝責任有限公司	Vietnam, January 2016, limited liability company 越南，二零一六年一月，有限責任公司	Manufacturing of garments in Vietnam 於越南製造成衣	Vietnam Dong (“VND”) 39,870,000,000 39,870,000,000 越南盾(「越南盾」)	45%
A subsidiary of Henglun International (Hong Kong) Limited 恒綸國際(香港)有限公司之附屬公司				
Henglun Textile (Vietnam) Company Limited 恒綸紡織(越南)有限公司	Vietnam, November 2019, limited liability company 越南，二零一九年十一月，有限責任公司	Manufacturing of garment fabrics in Vietnam 於越南製造面料	USD5,000,000 5,000,000 美元	30%
A subsidiary of Jiangsu Dasheng Intelligence Technology Development Co., Ltd. 江蘇大生智能科技發展有限公司之附屬公司				
Nantong Dasheng Third Cotton Textile Co., Ltd. 南通大生三棉紡織有限公司	Nantong, Mainland China, 26 April 2020, limited liability company 中國內地南通，二零二零年四月二十六日，有限責任公司	Manufacturing and sales of textile products 製造及銷售紡織品	RMB23,030,000 人民幣 23,030,000 元	30%

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### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### Investments in associates (Continued)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates	個別非重大聯營公司總賬面值	<b>286,228</b>	238,560
Aggregate amounts of the Group's share of:	本集團應佔以下各項總額：		
Profit from continuing operations	持續經營溢利	<b>44,668</b>	27,257

#### Investment in a joint venture

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Opening amount	期初金額	<b>4,709</b>	3,876
Share of profits	分攤溢利	<b>456</b>	833
Dividends received from joint venture entity	自合營企業實體收取的股息	<b>(1,318)</b>	-
At 31 December	於十二月三十一日	<b>3,847</b>	4,709

There are no contingent liabilities relating to the Group's interests in the joint venture.

Set out below is the joint venture of the Group as at 31 December 2020 which, in the opinion of the directors, is immaterial to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

### 10. 以權益法列賬的投資(續)

#### 於聯營公司的投資(續)

#### 於合營企業的投資

本集團於合營企業的權益並無任何或然負債。

以下為於二零二零年十二月三十一日，董事認為對本集團並不重要之本集團合營企業。下列合營企業之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。



## 綜合財務報表附註

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#### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

##### Investment in a joint venture (Continued)

Nature of investment in a joint venture as at 31 December 2020:

#### 10. 以權益法列賬的投資(續)

##### 於合營企業的投資(續)

於二零二零年十二月三十一日在合營企業的投資性質：

Name of the joint venture 合營企業名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016, limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日，有限責任公司	海陸貨物運輸；其他輔助財務；貨物卸運、儲存、管理諮詢	20,000,000,000 越南盾	50%

Texhong Tan Cang Logistics Joint Stock Company is a private company and there is no quoted market price available for its shares.

天虹新港物流股份公司為私人公司，其股份並無市場報價。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount of the immaterial the joint venture	不屬於重大的合營企業的賬面值	3,847	4,709
The Group's share of profit from continuing operations	本集團分佔持續經營業務產生的溢利	456	833

# 綜合財務報表附註

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### 11. FINANCIAL INSTRUMENTS BY CATEGORY

### 11. 按類別劃分的金融工具

		Assets at fair value through the profit and loss 按公平值計入損益的資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本列賬之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2020</b>	<b>二零二零年十二月三十一日</b>			
<b>Assets as per balance sheet</b>	<b>資產負債表所列資產</b>			
Trade and bills receivables (Note 13)	應收貿易及票據款項 (附註13)	-	1,735,593	1,735,593
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	111,167	-	111,167
Deposits and other receivables (Note 14)	按金及其他應收賬款 (附註14)	-	61,916	61,916
Pledged bank deposits and cash and cash equivalents (Note 15)	已抵押銀行存款及現金及現金等值物(附註15)	-	2,944,223	2,944,223
<b>Total</b>	<b>總計</b>	<b>111,167</b>	<b>4,741,732</b>	<b>4,852,899</b>
		Liabilities at fair value through the profit and loss 按公平值計入損益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2020</b>	<b>二零二零年十二月三十一日</b>			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 19)	借貸(附註19)	-	7,063,103	7,063,103
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	234,704	-	234,704
Trade and bills payables (Note 23)	應付貿易及票據款項(附註23)	-	2,652,659	2,652,659
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款(不包括按金及法定負債) (附註24)	-	387,587	387,587
Lease liabilities (Note 8)	租賃負債(附註8)	-	185,745	185,745
Long-term payables (Note 21)	長期應付賬款(附註21)	-	153,912	153,912
<b>Total</b>	<b>總計</b>	<b>234,704</b>	<b>10,443,006</b>	<b>10,677,710</b>

# 綜合財務報表附註

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### 11. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

### 11. 按類別劃分的金融工具(續)

		Assets at fair value through the profit and loss 按公平值計入 損益的資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本 列賬之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2019</b>	<b>二零一九年 十二月三十一日</b>			
<b>Assets as per balance sheet</b>	<b>資產負債表所列資產</b>			
Trade and bills receivables (Note 13)	應收貿易及票據款項 (附註13)	–	1,534,673	1,534,673
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	287,435	–	287,435
Deposits and other receivables (Note 14)	按金及其他應收賬款 (附註14)	–	19,252	19,252
Pledged bank deposits and cash and cash equivalents (Note 15)	已抵押銀行存款及現金及 現金等值物(附註15)	–	1,852,337	1,852,337
<b>Total</b>	<b>總計</b>	<b>287,435</b>	<b>3,406,262</b>	<b>3,693,697</b>
		Liabilities at fair value through the profit and loss 按公平值計入 損益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷 成本列賬之 其他金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2019</b>	<b>二零一九年 十二月三十一日</b>			
<b>Liabilities as per balance sheet</b>	<b>資產負債表所列負債</b>			
Borrowings (Note 19)	借貸(附註19)	–	8,284,623	8,284,623
Derivative financial instruments (Note 20)	衍生金融工具(附註20)	29,530	–	29,530
Trade and bills payables (Note 23)	應付貿易及票據款項 (附註23)	–	3,035,868	3,035,868
Accruals and other payables excluding deposits and statutory liabilities (Note 24)	預提費用及其他應付賬款 (不包括按金及 法定負債)(附註24)	–	408,106	408,106
Lease liabilities (Note 8)	租賃負債(附註8)	–	171,156	171,156
Long-term payables (Note 21)	長期應付賬款(附註21)	–	238,784	238,784
<b>Total</b>	<b>總計</b>	<b>29,530</b>	<b>12,138,537</b>	<b>12,168,067</b>

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### 12. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

#### Inventories

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw materials	原材料	2,344,703	3,189,503
Work-in-progress	在製品	446,589	481,381
Finished goods	製成品	1,004,426	1,429,206
		<b>3,795,718</b>	5,100,090

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB12,905,462,000 (2019: RMB14,963,466,000) (Note 26).

In 2020, the Group made an inventory provision of approximately RMB70,287,000 (2019: RMB8,957,000). These amounts have been included in 'cost of sales' in the consolidated income statement (Note 26).

As at 31 December 2020, no inventories (2019: a total net book amount of RMB66,580,000) were pledged as collateral for the Group's bank borrowings (Note 19).

#### Properties under development

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Land use rights	土地使用權	228,680	227,580

As at 31 December 2020, land use rights of RMB228,680,000 (2019: RMB227,580,000) were in Mainland China with lease terms of 40 to 70 years.

As at 31 December 2020, no construction had started yet, and no finance cost was capitalized as part of properties under development (2019: nil).

### 12. 存貨及發展中物業

#### 存貨

確認為費用且列入「銷售成本」的存貨成本金額為人民幣12,905,462,000元(二零一九年：人民幣14,963,466,000元)(附註26)。

於二零二零年，本集團計提存貨撥備約人民幣70,287,000元(二零一九年：人民幣8,957,000元)。該等金額已計入綜合收益表之「銷售成本」中(附註26)。

於二零二零年十二月三十一日，概無存貨(二零一九年：賬面淨值共為人民幣66,580,000元的存貨)作為本集團取得銀行借貸之抵押品(附註19)。

#### 發展中物業

於二零二零年十二月三十一日，在中國內地的土地使用權為人民幣228,680,000元(二零一九年：人民幣227,580,000元)，租賃期限為40至70年。

於二零二零年十二月三十一日，尚未開始施工，概無財務費用(二零一九年：無)資本化為發展中物業之一部分。

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 13. TRADE AND BILLS RECEIVABLES

### 13. 應收貿易及票據款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	<b>881,453</b>	817,743
Less: provision for impairment	減：減值撥備	<b>(15,077)</b>	(10,226)
		<b>866,376</b>	807,517
Bills receivable	應收票據款項	<b>869,217</b>	727,156
		<b>1,735,593</b>	1,534,673

As at 31 December 2020, included in the trade receivables were amounts due from related parties of RMB123,000 (2019: nil) (Note 35).

於二零二零年十二月三十一日，應收貿易款項中包括應收關連方款項共計人民幣123,000元(二零一九年：零)(附註35)。

The fair values of trade and bills receivables approximate their carrying amounts.

應收貿易及票據款項之公平值接近其賬面值。

As at 31 December 2020, bills receivable with a total net book amount of RMB160,000,000 were pledged as collateral for the Group's bank borrowings (2019: nil) (Note 19).

於二零二零年十二月三十一日，賬面淨值共計人民幣160,000,000元(二零一九年：零)的應收票據已作質押，以作為本集團取得銀行借貸之抵押品(附註19)。

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

本集團授予其中國內地客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項(包括性質為應收貿易關連方之款項)按發票日期之賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	30日內	<b>1,101,062</b>	1,050,742
31 to 90 days	31至90日	<b>448,412</b>	399,113
91 to 180 days	91至180日	<b>168,690</b>	75,479
181 days to 1 year	181日至1年	<b>17,985</b>	9,694
Over 1 year	1年以上	<b>14,521</b>	9,871
		<b>1,750,670</b>	1,544,899
Less: provision for impairment	減：減值撥備	<b>(15,077)</b>	(10,226)
Trade and bills receivables — net	應收貿易及票據款項 — 淨額	<b>1,735,593</b>	1,534,673

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 13. TRADE AND BILLS RECEIVABLES (Continued)

#### Impairment and risk exposure

##### Trade receivables

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

Trade and bills receivables are denominated in the following currencies:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
USD	美元	1,116,227	905,040
RMB	人民幣	560,251	519,003
HKD	港元	48,462	100,000
VND	越南盾	25,730	20,856
		<b>1,750,670</b>	1,544,899

Movements of the provision for impairment of trade receivables are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	10,226	6,588
Accrual of provision for impairment of trade receivables	計提應收貿易款項減值撥備	4,851	3,638
At 31 December	於十二月三十一日	<b>15,077</b>	10,226

The creation and release of provision for impaired receivables have been included in net accrual of impairment losses on financial assets in 2020 and 2019. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and bills receivables.

### 13. 應收貿易及票據款項(續)

#### 減值及風險敞口

##### 應收貿易款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有應收貿易款項撥備整個存續期內的預期虧損。

有關應收貿易款項及本集團所面臨的信貸風險、外匯風險及利率風險的詳情載於附註3.1。

應收貿易及票據款項按以下貨幣計值：

應收貿易款項減值撥備變動如下：

增設及解除已減值應收款項撥備於二零二零年及二零一九年已列入計提金融資產之減值虧損淨額。當預期未能收取額外現金時，在準備賬中扣除的款項將被撇銷。

於報告日期，本集團面對的最大信貸風險為應收貿易及票據款項賬面值。

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#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Value-added tax recoverable	應退增值稅	181,914	327,586
Prepayments for purchase of raw materials	購買原材料的預付款項	175,746	315,856
Due from related parties (Note 35)	應收關聯方款項(附註35)	53,480	-
Prepaid expenses	預付開支	52,037	104,665
Prepaid income tax	預付所得稅	40,745	31,133
Deposits for operation	營運按金	5,229	15,567
Other receivables	其他應收賬款	3,207	3,685
		<b>512,358</b>	798,492

The fair values of deposits and other receivables approximate their carrying amounts.

#### 14. 預付款項、按金及其他應收賬款

按金及其他應收賬款的公平值接近其賬面值。

#### 15. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	260,610	21,478
Cash and cash equivalents	現金及現金等值物		
— Cash at bank and in hand	— 銀行及手頭現金	2,683,613	1,830,859
		<b>2,944,223</b>	1,852,337

As at 31 December 2020, pledged bank deposits with a total net book amount of RMB200,000,000 were pledged as collateral for the Group's bank borrowings (2019: RMB8,001,000) (Note 19). Pledged bank deposits with a total net book amount of RMB60,000,000 were pledged as collateral for the Group's bills payable (2019: nil). Pledged bank deposits with a total net book amount of RMB610,000 (2019: RMB4,025,000) were pledged for operating activities.

#### 15. 已抵押銀行存款以及現金及現金等值物

於二零二零年十二月三十一日，賬面淨值共為人民幣200,000,000元的已抵押銀行存款已作質押，以作為本集團取得銀行借貸的抵押品(二零一九年：人民幣8,001,000元)(附註19)。賬面淨值共為人民幣60,000,000元(二零一九年：零)的已抵押銀行存款已作質押，以作為本集團應付票據的抵押品。賬面淨值共為人民幣610,000元(二零一九年：人民幣4,025,000元)的已抵押銀行存款已用於經營活動。

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#### 15. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

In addition, pledged bank deposits with a total net book amount of RMB9,452,000 as at 31 December 2019 are used for issuance of letters of credit for purchase of raw materials, with maturities of 90 days at inception.

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
RMB	人民幣	1,658,060	779,211
USD	美元	727,112	725,612
VND	越南盾	488,834	130,012
HKD	港元	57,797	204,920
European Dollar	歐元	2,161	7,672
Others	其他	10,259	4,910
		<b>2,944,223</b>	1,852,337

Majority of the cash and cash equivalents are deposited with banks in Mainland China and Hong Kong. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

#### 15. 已抵押銀行存款以及現金及現金等值物(續)

此外，於二零一九年十二月三十一日，賬面淨值總額為人民幣9,452,000元的已抵押銀行存款用於簽發信用證以供購買原材料，訂立日期起計90日到期。

已抵押銀行存款以及現金及現金等值物按以下貨幣計值：

大部分現金及現金等值物存於中國內地和香港銀行。將人民幣計值之結餘兌換為其他貨幣以及將資金匯出中國內地須遵守中國內地政府頒佈有關外匯管制之規則及規例。

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### 16. SHARE CAPITAL AND SHARE PREMIUM

### 16. 股本及股份溢價

		Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised:	法定：		
<b>Ordinary shares of HKD0.1 each</b>	<b>每股0.1港元普通股</b>		
At 31 December 2019 and 2020	於二零一九年及二零二零年 十二月三十一日	4,000,000	400,000

	Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Issued and fully paid:	已發行及繳足：				
<b>Ordinary shares of HKD0.1 each</b>	<b>每股0.1港元普通股</b>				
At 31 December 2019 and 2020	於二零一九年及 二零二零年 十二月三十一日	915,000	96,709	433,777	530,486

### 17. SHARE-BASED PAYMENT

#### Share Option Scheme

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant to any employee, director, supplier of goods or services, customer, person or entity that provides research, development or other technological support to the Group, shareholder and adviser or consultant of the Group to subscribe for shares in the Company at a price of not less than the higher of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date of the offer of grant; or (ii) the average closing price of shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the ordinary share of the Company in issued from time to time.

### 17. 以股份為基礎付款

#### 購股權計劃

根據於二零一四年四月七日通過之股東決議案，本公司採納一項購股權計劃（「購股權計劃」），於截至二零二四年四月止十年期間將仍屬有效。根據購股權計劃，本公司董事可全權酌情向任何僱員、董事、貨品或服務供應商、客戶、為本集團提供研究、開發或其他技術支援的個人或實體、股東及本集團顧問或諮詢人授出購股權，以認購本公司股份，惟價格不低於下列較高者：(i) 於授出要約日期在聯交所每日報價表所列出的股份收市價；或(ii) 於緊接授出要約日期前五個交易日的聯交所每日報價表所列出的股份平均收市價；及(iii) 股份的面值。1港元的名義代價於接納授出購股權時支付。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行普通股的30%。

**17. SHARE-BASED PAYMENT (Continued)****Share Option Scheme (Continued)**

Pursuant to the Share Option Scheme, share options to subscribe for an aggregate of 5,000,000 ordinary shares of the Company were granted to two executive directors of the Company on 23 March 2015. The subscription price is HKD8.7 per share. 1,670,000 share options are exercisable over the period from 1 January 2016 to 22 March 2025, 1,670,000 share options are exercisable over the period from 1 January 2017 to 22 March 2025 and 1,660,000 share options are exercisable from 1 January 2018 to 22 March 2025. On 28 December 2015, share options to subscribe for an aggregate of 1,500,000 ordinary share of the Company were granted to one executive director of the Company. The subscription price is HKD5.7 per share. 300,000 share options are exercisable over the period from 1 January 2017 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2018 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2019 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2020 to 27 December 2025 and 300,000 share options are exercisable over the period from 1 January 2021 to 27 December 2025. The Group has no legal or constructive obligation to repurchase or settle the above options in cash. No options have been exercised since the date of grant to 31 December 2020.

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD8.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.582%, expected dividend yield of 1.45% and volatility of 49.80%. The total fair value of these options at grant date was RMB17,154,000 and no expenses was charged to administrative expenses for the year ended 31 December 2020 (2019: nil).

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The significant inputs into the model included the share price of HKD5.7 per share at the grant date, exercise price shown above, expected annual risk-free interest rate of 1.623%, expected dividend yield of 3.42% and volatility of 50.94%. The total fair value of these options was RMB3,171,000, and RMB133,000 (2019: RMB298,000) was charged to administrative expenses for the year ended 31 December 2020.

**17. 以股份為基礎付款(續)****購股權計劃(續)**

根據購股權計劃，本公司於二零一五年三月二十三日向兩名本公司執行董事授出合共可認購5,000,000股本公司普通股的購股權。認購價為每股8.7港元。1,670,000份購股權可於二零一六年一月一日至二零二五年三月二十二日期間行使；1,670,000份購股權可於二零一七年一月一日至二零二五年三月二十二日期間行使；及1,660,000份購股權可於二零一八年一月一日至二零二五年三月二十二日期間行使。本公司於二零一五年十二月二十八日向一名本公司執行董事授出合共可認購1,500,000股本公司普通股的購股權。認購價為每股5.7港元。300,000份購股權可於二零一七年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一八年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一九年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零二零年一月一日至二零二五年十二月二十七日期間行使；及300,000份購股權可於二零二一年一月一日至二零二五年十二月二十七日期間行使。本集團並無法定或推定責任以現金購回或結算上述購股權。自授出日期至二零二零年十二月三十一日，概無購股權獲行使。

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股8.7港元、上述行使價、預期年度無風險利率1.582%、預期股息率1.45%及波幅49.80%。此等購股權於授出日期之公平值總額為人民幣17,154,000元，而並無開支於截至二零二零年十二月三十一日止年度之行政開支扣除(二零一九年：無)。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。該模式之重大輸入數據包括於授出日期之股價每股5.7港元、上述行使價、預期年度無風險利率1.623%、預期股息率3.42%及波幅50.94%。此等購股權之公平值總額為人民幣3,171,000元及人民幣133,000元(二零一九年：人民幣298,000元)已於截至二零二零年十二月三十一日止年度之行政開支扣除。



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### 18. OTHER RESERVES AND RETAINED EARNINGS

#### (a) Other reserves

### 18. 其他儲備及保留溢利

#### (a) 其他儲備

		Capital reserve <sup>(i)</sup>	Share-based compensation reserve 以股份為基礎 資本儲備 <sup>(i)</sup>	Statutory reserves <sup>(ii)</sup>	Revaluation reserve	Translation reserve	Translation with non-controlling interests 非控制性權益匯兌	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	162,041	20,998	474,048	65,407	(9,601)	-	712,893
Transfer to statutory reserves	轉撥至法定儲備	-	-	38,125	-	-	-	38,125
Employee share option scheme (Note 17)	僱員購股權計劃 (附註17)	-	298	-	-	-	-	298
Currency translation differences	貨幣換算差額	-	-	-	-	2,296	-	2,296
Surplus on revaluation of buildings	樓宇重估盈餘	-	-	-	-	-	-	-
— gross	— 總額	-	-	-	210,988	-	-	210,988
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	(38,203)	-	-	(38,203)
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重估由重估儲備 轉撥至保留溢利	-	-	-	-	-	-	-
— gross	— 總額	-	-	-	(6,470)	-	-	(6,470)
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	2,212	-	-	2,212
Translation with non-controlling interests	非控制性權益匯兌	-	-	-	-	-	(17,120)	(17,120)
At 31 December 2019	於二零一九年 十二月三十一日	162,041	21,296	512,173	233,934	(7,305)	(17,120)	905,019
At 1 January 2020	於二零二零年一月一日	<b>162,041</b>	<b>21,296</b>	<b>512,173</b>	<b>233,934</b>	<b>(7,305)</b>	<b>(17,120)</b>	<b>905,019</b>
Transfer to statutory reserves	轉撥至法定儲備	-	-	<b>48,231</b>	-	-	-	<b>48,231</b>
Employee share option scheme (Note 17)	僱員購股權計劃 (附註17)	-	<b>133</b>	-	-	-	-	<b>133</b>
Currency translation differences	貨幣換算差額	-	-	-	-	<b>(2,023)</b>	-	<b>(2,023)</b>
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重估由重估儲備 轉撥至保留溢利	-	-	-	-	-	-	-
— gross	— 總額	-	-	-	<b>(11,530)</b>	-	-	<b>(11,530)</b>
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	-	-	-	<b>2,480</b>	-	-	<b>2,480</b>
At 31 December 2020	於二零二零年 十二月三十一日	<b>162,041</b>	<b>21,429</b>	<b>560,404</b>	<b>224,884</b>	<b>(9,328)</b>	<b>(17,120)</b>	<b>942,310</b>

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a group reorganisation in 2004.

附註：

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。

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### 18. OTHER RESERVES AND RETAINED EARNINGS

(Continued)

#### (a) Other reserves (Continued)

Notes: (Continued)

- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

#### (b) Retained earnings

### 18. 其他儲備及保留溢利(續)

#### (a) 其他儲備(續)

附註：(續)

- (ii) 根據中國內地頒佈之規例，本公司在中國內地成立及營運之附屬公司須按其各自董事會所釐訂之比例，撥一部分除稅後溢利(經抵銷過往年度虧損)至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

#### (b) 保留溢利

		RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	5,495,258
Profit for the year	年度溢利	883,726
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
— gross	— 總額	6,470
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	(2,212)
		6,383,242
Dividend relating to 2018	二零一八年之股息	(158,936)
Dividend relating to 2019	二零一九年之股息	(148,230)
Transfer to statutory reserves	轉撥至法定儲備	(38,125)
At 31 December 2019	於二零一九年十二月三十一日	6,037,951
At 1 January 2020	於二零二零年一月一日	<b>6,037,951</b>
Profit for the year	年度溢利	<b>517,065</b>
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	
— gross	— 總額	<b>11,530</b>
— deferred income tax (Note 22)	— 遞延所得稅(附註22)	<b>(2,480)</b>
		<b>6,564,066</b>
Dividend relating to 2019	二零一九年之股息	<b>(125,364)</b>
Transfer to statutory reserves	轉撥至法定儲備	<b>(48,231)</b>
At 31 December 2020	於二零二零年十二月三十一日	<b>6,390,471</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 19. BORROWINGS

### 19. 借貸

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	297,038	990,965
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	353,603	332,440
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,186,840	2,036,211
		<b>3,837,481</b>	3,359,616
<b>Non-current</b>	<b>非即期</b>		
Unsecured bank borrowings	無抵押銀行借貸	767,675	705,935
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	-	188,357
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	2,457,947	4,030,715
		<b>3,225,622</b>	4,925,007
<b>Total borrowings</b>	<b>借貸總額</b>	<b>7,063,103</b>	8,284,623

Notes:

- (a) As at 31 December 2020, bank borrowings of RMB153,603,000 were secured by the pledge of bills receivable with net book amount of RMB160,000,000 (Note 13); and bank borrowings of RMB200,000,000 pledged bank deposits with a net book amount of RMB200,000,000 (Note 15).

As at 31 December 2019, bank borrowings of RMB520,797,000 were secured by the pledge of the Group's property, plant and equipment with a net book amount of approximately RMB709,529,000 (Note 7); pledged bank deposits with a net book amount of RMB8,001,000 (Note 15); and inventories with a net book amount of RMB66,580,000 (Note 12).

- (b) Other bank borrowings of RMB5,644,787,000 (2019: RMB6,066,926,000) were secured by cross corporate guarantees provided by certain subsidiaries of the Group as at 31 December 2020.

附註：

- (a) 於二零二零年十二月三十一日，銀行借貸人民幣153,603,000元以賬面淨值為人民幣160,000,000元的應收票據賬款作抵押(附註13)；及銀行借貸人民幣200,000,000元以賬面淨值為人民幣200,000,000元的已抵押銀行存款作抵押(附註15)。

於二零一九年十二月三十一日，銀行借貸人民幣520,797,000元以本集團的以下各項作抵押：賬面淨值約為人民幣709,529,000元的物業、廠房及設備(附註7)；賬面淨值為人民幣8,001,000元的已抵押銀行存款(附註15)；及賬面淨值為人民幣66,580,000元的存貨(附註12)。

- (b) 於二零二零年十二月三十一日，其他銀行借貸人民幣5,644,787,000元(二零一九年：人民幣6,066,926,000元)以本集團若干附屬公司提供的交叉公司擔保作抵押。

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### 19. BORROWINGS (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
RMB	人民幣	1,846,250	1,522,037
HKD	港元	3,343,047	5,433,479
USD	美元	1,873,806	1,329,107
		<b>7,063,103</b>	8,284,623

The weighted average effective interest rates per annum are as follows:

		2020 二零二零年			2019 二零一九年		
		USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣	HKD 港元
Bank borrowings	銀行借貸	2.2%	4.4%	2.5%	3.3%	4.5%	3.6%

At 31 December 2020, the Group's borrowings were repayable as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 year	1年內	3,837,481	3,359,616
Between 1 and 2 years	1至2年	1,802,628	2,904,576
Between 2 and 5 years	2至5年	1,422,994	2,020,431
		<b>7,063,103</b>	8,284,623

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

The Group has undrawn borrowing facilities of approximately RMB3,889,427,000 (2019: RMB4,400,070,000). These facilities are subject to review at various dates during 2020.

The Group has complied with the financial covenants of its borrowing facilities during the 2020 and 2019.

### 19. 借貸(續)

借貸的賬面值按以下貨幣計值：

加權平均實際年利率如下：

於二零二零年十二月三十一日，本集團借貸的還款期如下：

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

本集團未動用之借貸融資為約人民幣3,889,427,000元(二零一九年：人民幣4,400,070,000元)。該等融資須於二零二零年不同日期作審閱。

於二零二零年及二零一九年，本集團遵守其借貸融資的財務條款。

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### 20. DERIVATIVE FINANCIAL INSTRUMENTS

### 20. 衍生金融工具

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Assets:	資產：		
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	62,690	187,736
Cotton option contracts (Note (d))	棉花期權合約(附註(d))	27,332	-
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	21,145	87,942
Cotton future contracts (Note (c))	棉花期貨合約(附註(c))	-	11,757
		<b>111,167</b>	<b>287,435</b>
Liabilities:	負債：		
Cross currency swap contracts (Note (b))	交叉貨幣掉期合約(附註(b))	232,634	7,520
Cotton option contracts (Note (d))	棉花期權合約(附註(d))	2,001	-
Forward foreign exchange contracts (Note (a))	遠期外匯合約(附註(a))	69	22,010
		<b>234,704</b>	<b>29,530</b>

Non-hedging derivatives are classified as a current asset or liability.

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The forward foreign exchange contracts as at 31 December 2020 comprised thirty-eight contracts with notional principal amounts totalling RMB2,306,552,000 (2019: nineteen contracts with notional principal amounts totalling RMB4,756,373,000).
- (b) The cross currency swap contracts as at 31 December 2020 comprised twenty-one contracts with notional principal amounts totalling RMB3,543,954,000 (2019: fifty-one contracts with notional principal amounts totalling RMB9,658,644,000).
- (c) There is no cotton future contract as at 31 December 2020.(2019: five contracts with notional principal amount of USD35,583,000).
- (d) The cotton option contracts as at 31 December 2020 comprised five contracts with notional principal amount of USD45,823,000 (2019: nil).

- (a) 於二零二零年十二月三十一日，遠期外匯合約包括三十八份合約，名義本金總計為人民幣2,306,552,000元(二零一九年：十九份合約，名義本金總計為人民幣4,756,373,000元)。
- (b) 於二零二零年十二月三十一日，交叉貨幣掉期合約包括二十一份合約，名義本金總計為人民幣3,543,954,000元(二零一九年：五十一份合約，名義本金總計為人民幣9,658,644,000元)。
- (c) 於二零二零年十二月三十一日，並無棉花期貨合約(二零一九年：五份合約，名義本金總計為35,583,000美元)。
- (d) 於二零二零年十二月三十一日，棉花期權合約包括五份合約，名義本金總計為45,823,000美元(二零一九年：無)。



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### 21. LONG-TERM PAYABLES

### 21. 長期應付賬款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
No later than 1 year	一年內	129,936	105,693
Later than 1 year and no later than 5 years	一年後至五年內	30,726	150,962
Less: future finance charges on long-term payables	減：長期應付賬款之 未來融資費用	(6,750)	(17,871)
		<b>153,912</b>	238,784
The present value of long-term payables is as follows:	長期應付賬款之現值如下：		
No later than 1 year	一年內	124,041	94,572
Later than 1 year and no later than 5 years	一年後至五年內	29,871	144,212
		<b>153,912</b>	238,784

As at 31 December 2020, included in the long-term payables were amounts due to third parties for purchasing machinery and equipment with a carrying amount of RMB153,912,000 (2019: RMB238,784,000).

Details of the Group's exposure to risks arising from long-term payables are set out in Note 3.1.

於二零二零年十二月三十一日，長期應付賬款中包含就購買機器及設備應付第三方賬面值為人民幣153,912,000元(二零一九年：人民幣238,784,000元)的款項。

有關本集團因長期應付賬款所面臨的風險詳情乃載於附註3.1。

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### 22. DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

### 22. 遞延所得稅

遞延稅項資產及遞延稅項負債之分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
— Deferred tax assets to be recovered after more than 12 months	— 超過12個月後收回之遞延稅項資產	14,941	48,775
— Deferred tax assets to be recovered within 12 months	— 在12個月內收回之遞延稅項資產	74,771	54,901
		<b>89,712</b>	103,676
Deferred tax liabilities:	遞延稅項負債：		
— Deferred tax liabilities to be settled after more than 12 months	— 超過12個月後支付之遞延稅項負債	(282,071)	(276,845)
— Deferred tax liabilities to be settled within 12 months	— 在12個月內支付之遞延稅項負債	(10,588)	(10,616)
		<b>(292,659)</b>	(287,461)

The movements in deferred tax assets and liabilities during the year are as follows:

於年內遞延稅項資產及負債變動如下：

Deferred income tax assets:

遞延所得稅資產：

		Tax losses 稅務虧損 RMB'000 人民幣千元	Temporary differences 暫時差異 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	42,357	54,034	96,391
Acquisition of subsidiaries	收購附屬公司	-	894	894
Credited/(charged) to the consolidated income statement	於綜合收益表貸記/ (扣除)	18,580	(12,189)	6,391
At 31 December 2019	於二零一九年 十二月三十一日	60,937	42,739	103,676
(Charged)/credited to the consolidated income statement	於綜合收益表(扣除)/ 貸記	<b>(38,252)</b>	<b>24,288</b>	<b>(13,964)</b>
At 31 December 2020	於二零二零年 十二月三十一日	<b>22,685</b>	<b>67,027</b>	<b>89,712</b>

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### 22. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities:

		Fair value adjustments on assets relating to business combinations 有關業務合併之資產之公平值調整 RMB'000 人民幣千元	Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關附屬公司未匯付盈利的預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	55,775	24,499	81,416	161,690
Charge/(credit)	扣除/(貸記)				
— to other comprehensive income	— 於其他全面收益表	—	38,203	—	38,203
— to consolidated income statement	— 於綜合收益表	(6,909)	(2,212)	12,998	3,877
Acquisition of subsidiaries	收購附屬公司	64,504	—	19,187	83,691
At 31 December 2019	於二零一九年十二月三十一日	113,370	60,490	113,601	287,461
Charge/(credit)	扣除/(貸記)				
— to consolidated income statement	— 於綜合收益表	(9,151)	(2,480)	16,829	5,198
At 31 December 2020	於二零二零年十二月三十一日	104,219	58,010	130,430	292,659

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2020 and 2019, the Group has recognised the deferred income tax assets for all tax loss carry-forwards.

Deferred income tax of RMB2,480,000 (2019: RMB2,212,000) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

Deferred income tax liabilities of RMB130,430,000 (2019: RMB113,601,000) have been recognised for the withholding tax that would be payables on the earnings of subsidiaries when remitted to the Company. As at 31 December 2020, the unremitted earnings of subsidiaries is RMB2,608,580,000 (2019: RMB2,272,020,000). There are no unremitted earnings with no deferred tax liabilities recognised (2019: nil).

### 22. 遞延所得稅(續)

遞延所得稅負債：

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零二零年及二零一九年十二月三十一日，本集團已就所有結轉之稅項虧損確認遞延所得稅資產。

人民幣2,480,000元(二零一九年：人民幣2,212,000元)的遞延所得稅乃由其他儲備轉撥至保留溢利。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。

本集團已就附屬公司匯入本公司的盈利應付預扣稅確認遞延所得稅負債人民幣130,430,000元(二零一九年：人民幣113,601,000元)。於二零二零年十二月三十一日，附屬公司未匯付盈利為人民幣2,608,580,000元(二零一九年：人民幣2,272,020,000元)。並無未確認的遞延稅項負債的未匯付盈利(二零一九年：無)。

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#### 23. TRADE AND BILLS PAYABLES

#### 23. 應付貿易及票據款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables	應付貿易款項	<b>784,824</b>	811,591
Bills payable	應付票據款項	<b>1,867,835</b>	2,224,277
		<b>2,652,659</b>	3,035,868

As at 31 December 2020, included in trade payables were amounts due to related parties of RMB8,568,000 (2019: RMB13,975,000) (Note 35).

於二零二零年十二月三十一日，應付貿易款項中包含應付關連方的款項人民幣8,568,000元(二零一九年：人民幣13,975,000元)(附註35)。

The fair values of trade and bills payables approximate their carrying amounts.

應付貿易及票據款項之公平值與其賬面值相若。

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

應付貿易及票據款項(包括性質為應付貿易關連方之款項)按發票日期之賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 90 days	90日內	<b>2,121,441</b>	2,235,897
91 to 180 days	91日至180日	<b>485,176</b>	781,214
181 days to 1 year	181日至1年	<b>30,951</b>	11,600
Over 1 year	1年以上	<b>15,091</b>	7,157
		<b>2,652,659</b>	3,035,868

Trade and bills payables are denominated in the following currencies:

應付貿易及票據款項按以下貨幣計值：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
USD	美元	<b>2,116,566</b>	2,535,990
RMB	人民幣	<b>403,024</b>	379,616
VND	越南盾	<b>125,385</b>	113,168
Mexican Peso	墨西哥披索	<b>5,602</b>	3,628
HKD	港元	<b>2,082</b>	3,466
		<b>2,652,659</b>	3,035,868

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### 24. ACCRUALS AND OTHER PAYABLES

### 24. 預提費用及其他應付賬款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Accrued wages and salaries	應計工資及薪酬	320,371	328,216
Payables for purchase of property, plant and equipment	購買物業、廠房及設備之應付賬款	181,557	192,704
Accrual of operating expenses	應計經營開支	150,516	155,146
Tax payables other than enterprise income tax	應付稅項(企業所得稅除外)	103,674	61,636
Interest payable	應付利息	8,140	8,067
Other payables	其他應付賬款	47,374	52,189
		<b>811,632</b>	797,958

As at 31 December 2020 and 31 December 2019, the carrying amounts of the Group's accruals and other payables approximate their fair values.

於二零二零年十二月三十一日及二零一九年十二月三十一日，本集團的預提費用及其他應付賬款的賬面值與其公平值相若。

### 25. OTHER INCOME AND OTHER (LOSSES)/GAINS — NET

### 25. 其他收入及其他(虧損)/收益 — 淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Other income	其他收入		
Subsidy income (a)	補貼收入(a)	179,106	143,966
Other (losses)/gains — net	其他(虧損)/收益 — 淨額		
Gains on acquisition of subsidiaries	收購附屬公司收益	—	209,019
Gains on disposal of subsidiaries	出售附屬公司收益	—	18,581
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益之衍生金融工具：		
— Realised gains/(losses)	— 已變現收益/(虧損)	70,822	(58,055)
— Unrealised (losses)/gains	— 未變現(虧損)/收益	(381,443)	202,653
Net foreign exchange gains/(losses) (Note 29)	匯兌收益/(虧損)淨額(附註29)	56,106	(21,194)
Others	其他	15,131	7,342
Total other (losses)/gains — net	其他(虧損)/收益總額 — 淨額	<b>(239,384)</b>	358,346

(a) The subsidy income was mainly related to incentives for development in Mainland China provided by municipal governments based on the amounts of value added tax and income tax paid. The Group has received all the subsidy income and there was no future obligation related to these subsidy income.

(a) 補貼收入主要為來自於中國內地發展所獲得由市政府根據已付增值稅及所得稅金額提供之優惠。本集團已收取全數補貼收入，以及並無有關該等補貼收入之未來責任。

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### 26. EXPENSES BY NATURE

### 26. 開支(按性質分類)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw materials and consumables used	耗用原材料及消耗品	<b>12,495,164</b>	14,913,453
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	<b>410,298</b>	50,013
Employment benefit expenses (Note 27)	僱員福利開支(附註27)	<b>2,372,271</b>	2,648,876
Depreciation and amortisation (Note 7, Note 8 and Note 9)	折舊及攤銷 (附註7、附註8及附註9)	<b>1,003,670</b>	922,691
Impairment charges on property, plant and equipment (Note 7)	物業、廠房及設備減值費用 (附註7)	<b>16,863</b>	-
Losses on disposal of property, plant and equipment (Note 33)	出售物業、廠房及設備虧損 (附註33)	<b>7,289</b>	5,553
Office expenses	辦公開支	<b>82,420</b>	114,707
Utilities	動力及燃料	<b>1,255,052</b>	1,327,009
Transportation costs	運輸成本	<b>413,773</b>	456,706
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度審核服務	<b>3,725</b>	3,850
— Non-audit services	— 非審核服務	<b>893</b>	416
Rental expenses for buildings and machinery (Note 8)	樓宇及機器租金開支(附註8)	<b>2,714</b>	9,514
Net accrual of provision for decline in the value of inventories (Note 12)	存貨減值撥備計提淨額(附註12)	<b>70,287</b>	8,957
Other expenses	其他開支	<b>521,739</b>	405,411
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支 以及一般及行政開支總額	<b>18,656,158</b>	20,867,156

### 27. EMPLOYMENT BENEFIT EXPENSES

### 27. 僱員福利開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪酬及花紅	<b>2,148,406</b>	2,378,864
Pension costs — defined contribution plans and retirement benefits (Note (a))	退休金成本 — 界定供款計劃及 退休福利(附註(a))	<b>110,021</b>	155,408
Other welfare benefits (Note (b))	其他福利(附註(b))	<b>62,863</b>	67,776
Other employment benefits	其他僱員福利	<b>50,981</b>	46,828
		<b>2,372,271</b>	2,648,876



**27. EMPLOYMENT BENEFIT EXPENSES (Continued)****(a) Pension — defined contribution plans and retirement benefits**

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 13% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. During the year ended 31 December 2020, the Group contributed approximately RMB44,485,000 (2019: RMB81,736,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to stated-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The stated-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2020, the Group contributed approximately RMB61,926,000 (2019: RMB64,715,000) to the aforesaid state-sponsored social insurance scheme.

As stipulated by rules and regulations in other countries and regions, during the year ended 31 December 2020, the Group contributed approximately RMB3,610,000 (2019: RMB8,957,000) to the social insurance scheme of those countries and regions.

**(b) Other welfare benefits**

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2020, the Group contributed approximately RMB62,863,000 (2019: RMB67,776,000) to these plans and the Group has no further obligations for the actual payment of these plans.

**27. 僱員福利開支(續)****(a) 退休金 — 界定供款計劃及退休福利**

本集團已為其中國內地僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的13%至22%及7%至8%作出供款(訂有上限)，比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。於截至二零二零年十二月三十一日止年度，本集團向上述國家資助的退休計劃供款約人民幣44,485,000元(二零一九年：人民幣81,736,000元)。

根據越南規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零二零年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣61,926,000元(二零一九年：人民幣64,715,000元)。

根據其他國家及地區的規則及法規規定，本集團於截至二零二零年十二月三十一日止年度向該等國家及地區之社會福利計劃供款約人民幣3,610,000元(二零一九年：人民幣8,957,000元)。

**(b) 其他福利**

本集團於中國內地的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。於截至二零二零年十二月三十一日止年度，本集團就上述計劃供款約人民幣62,863,000元(二零一九年：人民幣67,776,000元)及本集團對該等計劃的實際付款並無進一步責任。

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### 27. EMPLOYMENT BENEFIT EXPENSES (Continued)

#### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five directors (2019: four) whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining one individual for the year ended 31 December 2019 are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	-	3,221
Bonuses	花紅	-	342
		-	3,563

### 27. 僱員福利開支(續)

#### (c) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中五位(二零一九年：四位)為董事，其酬金於附註37的分析內反映。截至二零一九年十二月三十一日止年度應付予餘下一位人士之酬金如下：

### 28. FINANCE COSTS — NET

### 28. 財務費用 — 淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest expenses	利息開支		
— borrowings	— 借貸	353,604	441,525
— long term payables	— 長期應付賬款	11,121	9,753
— lease liabilities (Note 8)	— 租賃負債(附註8)	6,215	6,077
		370,940	457,355
Net exchange (gains)/losses on financing activities (Note 29)	融資活動產生的匯兌(收益)/虧損淨額(附註29)	(100,251)	118,863
Finance costs	財務費用	270,689	576,218
Finance income — interest income on bank deposits	財務收入 — 銀行存款利息收入	(50,774)	(28,467)
Net finance costs	財務費用淨額	219,915	547,751

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### 29. NET FOREIGN EXCHANGE (GAINS)/LOSSES

The exchange differences included in the consolidated income statement are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net finance (income)/costs (Note 28)	財務(收入)/費用淨額(附註28)	(100,251)	118,863
Other (gains)/losses — net (Note 25)	其他(收益)/虧損 — 淨額 (附註25)	(56,106)	21,194
Net foreign exchange (gains)/losses	匯兌(收益)/虧損淨額	(156,357)	140,057

### 30. INCOME TAX EXPENSE

The amount of income tax charged to the consolidated income statement represents:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax on profits for the year	年度溢利之即期稅項	131,344	194,565
Deferred income tax (Note 22)	遞延所得稅(附註22)	19,162	(2,514)
		150,506	192,051

#### (a) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (2019:16.5%).

#### (b) Mainland China enterprise income tax (“EIT”)

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to determine and pay the EIT in accordance with the Corporate Income Tax Law of the PRC (the “New CIT Law”) as approved by the National People’s congress on 16 March 2007 and Detailed Implementations Regulations of the New CIT Law (the “DIR”) as approved by the State Council on 6 December 2007. According to the New CIT Law and DIR, subsidiaries established in Mainland China are subject to EIT at rate of 25% during the year (2019: 25%).

### 29. 匯兌(收益)/虧損淨額

於綜合收益表計入之匯兌差額包括以下項目：

### 30. 所得稅開支

於綜合收益表扣除之所得稅金額如下：

#### (a) 香港利得稅

於香港成立之附屬公司須按16.5%(二零一九年：16.5%)之稅率繳納利得稅。

#### (b) 中國內地企業所得稅(「企業所得稅」)

由二零零八年一月一日起，於中國內地成立之附屬公司，須依照全國人民代表大會於二零零七年三月十六日通過之中國企業所得稅法(「新企業所得稅法」)，和國務院於二零零七年十二月六日批准之新企業所得稅法條例實施細則(「條例實施細則」)，釐定並繳納企業所得稅。根據新企業所得稅法及條例實施細則，在中國內地成立之附屬公司於年內須繳納企業所得稅，稅率為25%(二零一九年：25%)。

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### 30. INCOME TAX EXPENSE (Continued)

#### (b) Mainland China enterprise income tax (“EIT”) (Continued)

As approved by the relevant tax bureau in Mainland China, eleven subsidiaries are entitled to a preferential tax rate of 15% during the year (2019: seven subsidiaries are entitled to a preferential tax rate of 15%). Such preferential tax treatments require annual assessment on meeting the stipulated conditions and re-application to maintain the lower tax rate status every few years.

#### (c) Vietnam income tax

The income tax for the major subsidiaries in Vietnam are as below:

As approved by the relevant tax bureau in Vietnam, one subsidiary established in Vietnam should separately calculate income tax on its initial supplementary investments. The initial investment of the subsidiary is entitled to three years' exemption from income taxes followed by seven years of a 50% tax reduction and is further entitled to a preferential income tax rate of 15% for 12 years. The first supplementary investment of the subsidiary is entitled to three years' exemption from income taxes followed by five years of a 50% tax reduction based on the income tax rate of 20% (2019: 20%). The second supplementary investment of the subsidiary is entitled to two years' exemption from income taxes followed by four years of a 50% tax reduction based on the income tax rate of 20% (2019: 20%).

As approved by the relevant tax bureau in Vietnam, other subsidiaries established in Vietnam are entitled to four years' exemption for income taxes followed by nine years of a 50% tax reduction, commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the year (2019: nil to 20%).

### 30. 所得稅開支(續)

#### (b) 中國內地企業所得稅(「企業所得稅」)(續)

經中國內地有關稅務局批准，十一家附屬公司於年內有權享有15%的優惠稅率(二零一九年：七家附屬公司有權享有15%的優惠稅率)。此類稅收優惠政策要求每年評估是否符合規定條件，並須每隔幾年重新申請以維持較低的稅率。

#### (c) 越南所得稅

在越南的主要附屬公司之所得稅如下：

經越南有關稅務局批准，一家在越南成立的附屬公司，應就其初步補充投資獨立計算所得稅。該附屬公司的初步投資有權免繳所得稅三年，其後七年則可獲稅率減半優惠，並有權進一步享受優惠所得稅稅率15%達十二年。該附屬公司的首項補充投資有權免繳所得稅三年，其後五年根據20%(二零一九年：20%)的所得稅稅率繳付，可獲稅率減半優惠。該附屬公司的第二項補充投資有權免繳所得稅兩年，其後四年根據20%(二零一九年：20%)的所得稅稅率繳付，可獲稅率減半優惠。

經越南有關稅務局批准，其他在越南成立的附屬公司有權於抵銷過往年度結轉的虧損後首個獲利年度起，免繳所得稅四年，其後九年則可獲稅率減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

年內，在越南的所有附屬公司的適用稅率，介乎零至20%(二零一九年：零至20%)。

**30. INCOME TAX EXPENSE** (Continued)

**(d) Other income or profits tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

The Company's subsidiary established in Macao is subject to income tax rate of 12% (2019: 12%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2019: nil).

The Company's subsidiary established in Uruguay is subject to income tax rate of 25% (2019: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year (2019: nil).

The Company's subsidiary established in Cambodia is subject to income tax at the rate of 20% (2019: 20%). No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from the subsidiary during the year (2019: nil).

The Company's subsidiaries established in Nicaragua are subject to income tax at the rate of 30% (2019: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiaries are entitled to exemption from profits tax during the year (2019: exempted).

The Company's subsidiaries established in Samoa are exempted from profits tax during the year (2019: exempted).

The Company's subsidiary established in Turkey is subject to income tax at the rate of 22% (2019: 22%).

**30. 所得稅開支** (續)

**(d) 其他所得或利得稅**

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

本公司於澳門成立之附屬公司須按12% (二零一九年：12%)之稅率繳付所得稅。由於本集團於年內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備(二零一九年：零)。

本公司於烏拉圭成立之附屬公司須按25% (二零一九年：25%)之稅率繳付所得稅。由於本集團於年內概無在烏拉圭產生或從烏拉圭賺取應課稅溢利，故概無就烏拉圭利得稅作出撥備(二零一九年：零)。

本公司在柬埔寨成立之附屬公司須按20% (二零一九年：20%)之稅率繳付所得稅。由於本集團於年內概無在該附屬公司產生或從該附屬公司賺取應課稅溢利，故概無就柬埔寨利得稅作出撥備(二零一九年：零)。

本公司在尼加拉瓜成立之附屬公司須按30% (二零一九年：30%)之稅率繳付所得稅。經尼加拉瓜有關稅務局批准，該等附屬公司於年內獲豁免繳付利得稅(二零一九年：豁免)。

本公司在薩摩亞成立之附屬公司於年內獲豁免繳付利得稅(二零一九年：豁免)。

本公司於土耳其成立之附屬公司須按22% (二零一九年：22%)之稅率繳付所得稅。

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#### 30. INCOME TAX EXPENSE (Continued)

##### (d) Other income or profits tax (Continued)

The Company's subsidiaries established in the United States are subject to income tax rate within the range from 27.5% to 30% during the year (2019: 27.5% to 30%).

The Company's subsidiaries established in Mexico are subject to income tax at the rate of 30% (2019: 30%).

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit before income tax, after excluding share of profits of investments accounted for using the equity method	635,736	1,086,710
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	155,740	241,820
Effect of tax exemption	(60,600)	(62,199)
Expenses not deductible for tax purposes	46,743	2,029
Withholding tax relating to unremitted earnings of subsidiaries	16,829	12,998
Others	(8,206)	(2,597)
	150,506	192,051

The weighted average applicable tax rate was 24.5% (2019: 22.3%).

10% withholding income tax is generally imposed on dividends relating to any profits earned in PRC commencing from 2008 to foreign investors, while for some PRC entities held by companies incorporated in certain places, including Hong Kong and Singapore, preferential tax rate of 5% will be applied if such companies are the beneficial owner of over 25% of these PRC entities according to PRC tax regulations.

#### 30. 所得稅開支(續)

##### (d) 其他所得或利得稅(續)

年內，本公司在美國成立之附屬公司須按介乎27.5%至30%(二零一九年：27.5%至30%)之稅率繳付所得稅。

本公司在墨西哥成立之附屬公司須按30%(二零一九年：30%)之稅率繳付所得稅。

本集團除所得稅前溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同，差異如下：

適用的加權平均稅率為24.5%(二零一九年：22.3%)。

中國企業所得稅對境外投資者獲分派二零零八年及之後賺取的利潤的股息一般徵收10%預提所得稅，而就若干地區(包括香港及新加坡)註冊成立之公司所持有的中國實體而言，倘該等公司根據中國之稅務條例為該等中國實體超過25%權益之實益擁有人，則享有5%的優惠稅率。



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### 31. EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2020 二零二零年	2019 二零一九年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	517,065	883,726
<b>Weighted average number of ordinary shares in issue (thousands)</b>	<b>已發行普通股加權平均數 (以千計)</b>	<b>915,000</b>	915,000
Basic earnings per share (RMB per share)	每股基本盈利 (每股人民幣元)	<b>0.57</b>	0.97

#### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2020 二零二零年	2019 二零一九年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	517,065	883,726
<b>Weighted average number of ordinary shares in issue (thousands)</b>	<b>已發行普通股加權平均數 (以千計)</b>	<b>915,000</b>	915,000
Adjustments for:	調整：		
— Share options (thousands)	— 購股權 (以千計)	189	714
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股加權平均數 (以千計)	<b>915,189</b>	915,714
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	<b>0.56</b>	0.97

### 31. 每股盈利

#### (a) 基本

每股基本盈利以本公司擁有人應佔溢利除以年內已發行普通股之加權平均數計算。

#### (b) 攤薄

每股攤薄盈利乃透過調整發行在外的普通股加權平均數計算，以假設所有具攤薄影響之潛在普通股獲轉換。就本公司之購股權而言，本公司已根據未行使購股權附帶之認購權之幣值，計算能夠按公平值 (釐定為本公司股份之平均年度市價) 收購的股份數目。上述計算所得之股份數目與假設購股權獲行使的情況下，已發行的股份數目比較。

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#### 32. DIVIDENDS

The dividends paid in 2020 were RMB125,364,000 (2019: RMB307,166,000), being HKD0.15 per ordinary share (2019: HKD0.38 per ordinary share).

#### 32. 股息

於二零二零年已支付的股息金額為人民幣125,364,000元(二零一九年:人民幣307,166,000元),每股普通股0.15港元(二零一九年:每股普通股0.38港元)。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Final dividend for the year ended 31 December 2019 of HKD0.15 (2018: HKD0.20) per ordinary share	截至二零一九年十二月三十一日止年度末期股息 每股普通股0.15港元 (二零一八年:0.20港元)	125,364	158,936
Interim dividend for the year ended 31 December 2020 (2019: HKD0.18 per ordinary share)	截至二零二零年十二月三十一日止年度中期股息(二零一九年:每股普通股0.18港元)	-	148,230
		125,364	307,166

A proposed final dividend in respect of the year ended 31 December 2020 of HKD0.20 (2019: HKD0.15) per ordinary share, amounting to a total dividend of RMB154,013,000 (2019: RMB122,949,000) is to be presented for approval at the annual general meeting of the Company on 3 May 2021. These financial statements do not reflect this as dividend payable.

截至二零二零年十二月三十一日止年度之擬派末期股息為每股普通股0.20港元(二零一九年:0.15港元),股息總金額達人民幣154,013,000元(二零一九年:人民幣122,949,000元),將於本公司二零二一年五月三日之股東週年大會上提呈批准。此等財務報表並不反映此項為應付股息。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Proposed final dividend for the year ended 31 December 2020 of HKD0.20 (2019: HKD0.15) per ordinary share	截至二零二零年十二月三十一日止年度擬派末期股息 每股普通股0.20港元 (二零一九年:0.15港元)	154,013	122,949

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### 33. CASH FLOW INFORMATION

#### (a) Cash generated from operations

The reconciliation from profit before income tax to cash generated from operations is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	680,860	1,114,800
Adjustments for:	經調整：		
— Amortisation, depreciation and impairment	— 攤銷、折舊及減值	1,020,533	922,691
— Share of profits less losses of investments accounted for using equity method	— 分佔使用權益法入賬之投資溢利減虧損	(45,124)	(28,090)
— Amortisation of share option scheme	— 購股權計劃攤銷	133	298
— Losses on disposal of property, plant and equipment (Note 26)	— 出售物業、廠房及設備虧損(附註26)	7,289	5,553
— Net accrual of provision for decline in the value of inventories (Note 26)	— 存貨減值撥備之預提淨額(附註26)	70,287	8,957
— Accrual of provision for impairment of trade receivables (Note 13)	— 應收貿易款項減值撥備之計提(附註13)	4,851	3,638
— Finance costs — net	— 財務費用 — 淨額	219,915	547,751
— Fair value losses/(gains) on derivative financial instruments and assets (Note 25)	— 衍生金融工具及資產公平值虧損/(收益)(附註25)	381,443	(202,653)
— Settlement on derivative financial instruments (Note 25)	— 衍生金融工具結算(附註25)	(70,822)	58,055
— Gain on disposal of a subsidiary	— 出售附屬公司收益	-	(18,581)
— Gains on acquisition of subsidiaries	— 收購附屬公司收益	-	(209,019)
— Costs related to acquisition of subsidiaries	— 收購附屬公司有關之費用	-	890
— Net exchange differences	— 匯兌差額淨額	72,378	(11,797)
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(綜合賬目之匯兌差額的影響除外)：		
— Inventories	— 存貨	1,234,085	543,436
— Properties under development	— 發展中物業	(1,100)	(1,522)
— Trade and bills receivables	— 應收貿易及票據款項	(205,771)	383,155
— Prepayments, deposits and other receivables	— 預付款項、按金及其他應收賬款	295,746	139,378
— Trade and bills payables	— 應付貿易及票據款項	(311,572)	(646,061)
— Contract liabilities	— 合約負債	87,116	36,082
— Accruals and other payables	— 預提費用及其他應付款項	24,748	(107,246)
— Pledged bank deposits	— 已抵押銀行存款	(47,133)	63,092
Cash generated from operations	經營所產生的現金	3,417,862	2,602,807

### 33. 現金流量資料

#### (a) 經營所產生的現金

除所得稅前溢利與經營所產生的現金對賬如下：

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#### 33. CASH FLOW INFORMATION (Continued)

##### (a) Cash generated from operations (Continued)

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment include:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net book amount — property, plant and equipment (Note 7)	賬面淨值 — 物業、廠房及設備(附註7)	20,445	20,025
Losses on disposal of property, plant and equipment (Note 26)	出售物業、廠房及設備虧損(附註26)	(7,289)	(5,553)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	13,156	14,472

##### (b) Non-cash investing and financing activities

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Acquisition of plant and equipment by means of long-term payables	以長期應付賬款方式收購廠房及設備	-	123,445

#### 33. 現金流量資料(續)

##### (a) 經營所產生的現金(續)

於綜合現金流量表，出售物業、廠房及設備所得款項包括：

##### (b) 非現金投資及融資活動

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

### 33. CASH FLOW INFORMATION (Continued)

#### (c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Net debt</b>	<b>淨債務</b>		
Cash and cash equivalents	現金及現金等值物	<b>2,683,613</b>	1,830,859
Pledged bank deposits	已抵押銀行存款	<b>260,610</b>	21,478
Borrowings	借貸	<b>(7,063,103)</b>	(8,284,623)
Lease liabilities	租賃負債	<b>(185,745)</b>	(171,156)
Long term payables	長期應付賬款	<b>(153,912)</b>	(238,784)
Net debt	淨債務	<b>(4,458,537)</b>	(6,842,226)
Cash and cash equivalents	現金及現金等值物	<b>2,683,613</b>	1,830,859
Pledged bank deposits	已抵押銀行存款	<b>260,610</b>	21,478
Gross debt — fixed interest rates	總債務 — 固定利率	<b>(2,349,425)</b>	(2,204,974)
Gross debt — variable interest rates	總債務 — 浮動利率	<b>(5,053,335)</b>	(6,489,589)
Net debt	淨債務	<b>(4,458,537)</b>	(6,842,226)

### 33. 現金流量資料(續)

#### (c) 淨債務對賬

本節載列各個呈列年度的淨債務分析及淨債務變動。

## 綜合財務報表附註

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 33. CASH FLOW INFORMATION (Continued)

##### (c) Net debt reconciliation (Continued)

		Other assets 其他資產		Liabilities from financing activities 來自融資活動之負債				Total 總計
		Cash and cash equivalents 現金及現金等值物	Pledged bank deposits 已抵押銀行存款	Finance leases 融資租賃	Lease liabilities 租賃負債	Long term payables 長期應付賬款	Borrowings 借貸	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Net debt as at 1 January 2019</b>	<b>於二零一九年一月一日的淨債務</b>	1,054,721	145,019	(831)	-	(145,188)	(7,127,734)	(6,074,013)
Recognised on adoption of HKFRS 16	採納香港財務報告準則第16號時確認	-	-	831	(183,461)	-	-	(182,630)
		1,054,721	145,019	-	(183,461)	(145,188)	(7,127,734)	(6,256,643)
Cash flows	現金流量	776,138	(123,541)	-	33,782	29,849	(1,038,026)	(321,798)
Addition of leases	添置租賃	-	-	-	(21,477)	-	-	(21,477)
Foreign exchange adjustments	外匯調整	-	-	-	-	-	(118,863)	(118,863)
Other changes	其他變動	-	-	-	-	(123,445)	-	(123,445)
<b>Net debt as at 31 December 2019</b>	<b>於二零一九年十二月三十一日的淨債務</b>	1,830,859	21,478	-	(171,156)	(238,784)	(8,284,623)	(6,842,226)
Cash flows	現金流量	<b>852,754</b>	<b>239,132</b>	-	<b>48,418</b>	<b>84,872</b>	<b>1,121,269</b>	<b>2,346,445</b>
Addition of leases	添置租賃	-	-	-	<b>(63,007)</b>	-	-	<b>(63,007)</b>
Foreign exchange adjustments	外匯調整	-	-	-	-	-	<b>100,251</b>	<b>100,251</b>
<b>Net debt as at 31 December 2020</b>	<b>於二零二零年十二月三十一日的淨債務</b>	<b>2,683,613</b>	<b>260,610</b>	-	<b>(185,745)</b>	<b>(153,912)</b>	<b>(7,063,103)</b>	<b>(4,458,537)</b>

#### 34. COMMITMENTS

Capital expenditures at the balance sheet date that have not been incurred are as follows:

#### 34. 承擔

於結算日的資本開支(但未產生)如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	<b>394,531</b>	178,282
Authorised but not contracted for	已授權但未訂約	<b>1,246,279</b>	-
Total capital expenditure commitments	資本開支承擔總額	<b>1,640,810</b>	178,282



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. RELATED-PARTY TRANSACTIONS

Related parties are those as defined under Hong Kong Accounting Standard 24 and include key management of the Group. General speaking, parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

As at 31 December 2020, the Group is controlled by New Green Group Limited (incorporated in BVI), which directly and indirectly owns 59.5% of the Company's shares. The remaining 40.5% of the shares are widely held. The ultimate parent of the Group is Texhong Group Holdings Limited (incorporated in Cayman Islands). The ultimate controlling party of the Group is Mr Hong Tian Zhu.

The related parties that had business transactions with the Group are as follows:

### 35. 與關聯方的交易

關聯方為香港會計準則第24號所定義者，並且包括本集團主要管理層。大致而言，倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

於二零二零年十二月三十一日，本集團由New Green Group Limited（於英屬處女群島註冊成立）控制，其直接及間接擁有本公司股份之59.5%。股份餘下之40.5%被廣泛持有。本集團之最終母公司為Texhong Group Holdings Limited（於開曼群島註冊成立）。本集團之最終控制方為洪天祝先生。

與本集團進行業務交易的關聯方如下：

Name of related party 關聯方名稱	Relationship with the Group 與本公司關係
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Associated company 聯營公司
Hualida (Vietnam) Garments Limited Company 華利達(越南)服裝責任有限公司	Associated company 聯營公司
Nantong Dasheng Third Cotton Textile Co., Ltd. 南通大生三棉紡織有限公司	Associated company 聯營公司
Henglun International (Hong Kong) Limited 恒綸國際(香港)有限公司	Associated company 聯營公司
Henglun Textile (Vietnam) Company Limited 恒綸紡織(越南)有限公司	Associated company 聯營公司
Jiangsu Dasheng Intelligence Technology Development Co., Ltd. 江蘇大生智能科技發展有限公司	Associated company 聯營公司
Texhong Tan Cang Logistics Joint Stock Company 天虹新港物流股份公司	Joint venture 合營企業
Texhong Industrial Park Vietnam Limited 天虹工業園區越南有限公司	A company controlled by the chairman of the Group 由本集團主席所控制之公司

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 35. RELATED-PARTY TRANSACTIONS (Continued)

#### (a) Transactions with related parties

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Henglun Textile (Vietnam) Company Limited	— 恒綸紡織(越南)有限公司	3,821	—
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	670	4
		<b>4,491</b>	4
Purchases of land use rights	購買土地使用權		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	—	105,418
Providing shareholder loan	提供股東貸款		
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	33,380	—
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	— 江蘇大生智能科技發展有限公司	20,100	—
		<b>53,480</b>	—
Purchases of goods	購買貨品		
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	882	852
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	274	702
— Nantong Dasheng Third Cotton Textile Co., Ltd.	— 南通大生三棉紡織有限公司	120	—
		<b>1,276</b>	1,554
Purchases of utilities	購買動力及燃料		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	205,534	199,975
Purchases of services	購買服務		
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	31,888	44,054

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

### 35. 與關聯方的交易(續)

#### (a) 與關聯方的交易

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及/或由有關各方發出的發票進行。

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### 35. RELATED-PARTY TRANSACTIONS (Continued)

#### (b) Balance with related parties

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— Hualida (Vietnam) Garments Limited Company	— 華利達(越南)服裝責任有限公司	123	—
Trade payables	應付貿易款項		
— Texhong Industrial Park Vietnam Limited	— 天虹工業園區越南有限公司	7,752	8,054
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份公司	816	5,920
— Nantong Textile Group Co., Ltd.	— 南通紡織控股集團紡織染有限公司	—	1
		<b>8,568</b>	13,975
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		
— Henglun International (Hong Kong) Limited	— 恒綸國際(香港)有限公司	33,380	—
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd.	— 江蘇大生智能科技發展有限公司	20,100	—
		<b>53,480</b>	—

The amounts due from related parties are unsecured, interest-free and repayable on demand.

應收關聯方款項為無抵押、不計息及按  
要求償還。

#### (c) Key management compensation

#### (c) 主要管理層薪酬

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	22,041	18,508
Pension costs — defined contribution plan	退休金成本 — 界定供款計劃	483	619
Other benefits	其他福利	79	71
		<b>22,603</b>	19,198

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

##### (a) Balance sheet of the Company

#### 36. 本公司之資產負債表及儲備變動

##### (a) 本公司的資產負債表

		<b>As at 31 December</b>	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	22	25
Investments in subsidiaries	於附屬公司的投資	4,791,261	6,367,604
		<b>4,791,283</b>	6,367,629
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	22,653	32,231
Due from subsidiaries	應收附屬公司款項	2,916,072	2,111,213
Derivative financial instruments	衍生金融工具	70,088	94,306
Cash and cash equivalents	現金及現金等值物	29,340	27,669
		<b>3,038,153</b>	2,265,419
<b>Total assets</b>	<b>資產總值</b>	<b>7,829,436</b>	8,633,048
<b>EQUITY</b>	<b>股東權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		
Share capital: nominal value	股本：面值	96,709	96,709
Share premium	股份溢價	433,777	433,777
Other reserves	其他儲備	193,748	193,615
Retained earnings	保留溢利	2,489,650	1,519,993
<b>Total equity</b>	<b>權益總值</b>	<b>3,213,884</b>	2,244,094

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (a) Balance sheet of the Company (Continued)

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借貸	2,317,064	4,149,194
		<b>2,317,064</b>	4,149,194
<b>Current liabilities</b>	<b>流動負債</b>		
Bills payable	應付票據款項	11,574	82,312
Accruals and other payables	預提費用及其他應付賬款	15,412	16,337
Due to subsidiaries	應付附屬公司款項	1,099	16,720
Borrowings	借貸	2,180,178	2,124,391
Derivative financial instruments	衍生金融工具	90,225	–
		<b>2,298,488</b>	2,239,760
<b>Total liabilities</b>	<b>總負債</b>	<b>4,615,552</b>	6,388,954
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<b>7,829,436</b>	8,633,048

The balance sheet of the Company was approved by the Board of Directors on 12 March 2021 and was signed on its behalf by:

本公司資產負債表已於二零二一年三月十二日獲董事會批准，並由下列董事代表董事會簽署：

**Hong Tianzhu**  
Director

**Zhu Yongxiang**  
Director

洪天祝  
董事

朱永祥  
董事

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (b) Reserve movement of the Company

		<b>Other reserves</b>	<b>Retained earnings</b>
		其他儲備	保留溢利
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	193,317	1,574,817
Profit for the year	年度溢利	-	252,342
Employee share option scheme	僱員購股權計劃	298	-
Dividend relating to 2018	二零一八年之股息	-	(158,936)
Dividend relating to 2019	二零一九年之股息	-	(148,230)
At 31 December 2019	於二零一九年十二月三十一日	193,615	1,519,993
At 1 January 2020	於二零二零年一月一日	<b>193,615</b>	<b>1,519,993</b>
Profit for the year	年度溢利	-	<b>1,095,021</b>
Employee share option scheme	僱員購股權計劃	<b>133</b>	-
Dividend relating to 2019	二零一九年之股息	-	<b>(125,364)</b>
At 31 December 2020	於二零二零年十二月三十一日	<b>193,748</b>	<b>2,489,650</b>

### 36. 本公司之資產負債表及儲備變動 (續)

#### (b) 本公司之儲備變動



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 37. BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' and chief executive's emoluments

The Group does not have a chief executive who is not also a director of the Company.

The remuneration of every director is set out below:

For the year ended 31 December 2020, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

Name of Director 董事姓名		Fees 袍金 RMB'000 人民幣千元	Salaries 薪金 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Housing allowance 住屋津貼 RMB'000 人民幣千元	Estimated money value of other benefits 其他福利之 估計金錢價值 RMB'000 人民幣千元	Employer's contribution to benefit scheme 僱主福利計 劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive Directors: 執行董事:								
Hong Tianzhu	洪天祝	-	1,108	1,417	-	-	7	2,532
Zhu Yongxiang	朱永祥	-	1,198	3,825	-	-	15	5,038
Tang Daoping	湯道平	-	963	3,906	-	22	45	4,936
Hui Tsz Wai	許子慧	-	3,469	281	-	-	318	4,068
Ji Zhongliang	吉忠良	-	1,441	713	-	29	45	2,228
Independent non-executive Directors: 獨立非執行董事:								
Ting Leung Huel, Stephen	丁良輝	252	-	-	-	-	-	252
Cheng Longdi	程隆棟	126	-	-	-	-	-	126
Tao Xiaoming	陶肖明	151	-	-	-	-	-	151
		529	8,179	10,142	-	51	430	19,331

### 37. 董事福利及權益

#### (a) 董事及行政總裁酬金

本集團沒有不同時為本公司董事的行政總裁。

應付予每位董事的酬金如下：

截至二零二零年十二月三十一日止年度，就個人擔任董事提供服務（不論本公司或其附屬公司）已付或應付酬金：

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### 37. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2019, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

Name of Director	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to benefit scheme	Total
董事姓名	袍金	薪金	酌情花紅	住屋津貼	其他福利之估計金錢價值	僱主福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors: 執行董事:							
Hong Tianzhu 洪天祝	-	1,009	1,577	-	-	1	2,587
Zhu Yongxiang 朱永祥	-	845	-	-	-	16	861
Tang Daoping 湯道平	-	1,053	3,825	-	19	98	4,995
Hui Tsz Wai 許子慧	-	3,647	161	-	-	339	4,147
Ji Zhongliang 吉忠良	-	1,608	765	-	26	59	2,458
Independent non-executive Directors: 獨立非執行董事:							
Ting Leung Huel, Stephen 丁良輝	269	-	-	-	-	-	269
Cheng Longdi 程隆棣	134	-	-	-	-	-	134
Tao Xiaoming 陶肖明	161	-	-	-	-	-	161
	564	8,162	6,328	-	45	513	15,612

### 37. 董事福利及權益 (續)

#### (a) 董事及行政總裁酬金 (續)

截至二零一九年十二月三十一日止年度，就個人擔任董事提供服務(不論本公司或其附屬公司)已付或應付酬金：

#### (b) Directors' retirement and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year.

#### (c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year.

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by or entities connected with such directors subsisted at the end of the year or at any time during the year.

#### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### (b) 董事退任及終止僱用福利

年內，概無董事曾或將獲得任何退任福利或終止僱用福利。

#### (c) 就提供董事服務向第三方提供之代價

年內，本集團概無就提供董事服務向任何第三方支付之代價。

#### (d) 有關以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易的資料

概無於年末或年內任何時間存在之以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易。

#### (e) 董事於交易、安排或合約之重大權益

本公司概無訂立與本集團業務有關，而本公司董事直接或間接擁有重大權益且於年末或年內任何時間存在之重大交易、安排及合約。

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 38. PRINCIPAL SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, all of which are unlisted, at 31 December 2020:

### 38. 主要附屬公司

下表列示本集團於二零二零年十二月三十一日的重大附屬公司(均為非上市):

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
<b>Directly held:</b> 直接持有:				
Texhong Textile Holdings Limited	British Virgin Islands, 26 May 2004, limited liability company	Investment holding in British Virgin Islands	100 ordinary shares of USD1 each	100%
天虹紡織控股有限公司	英屬處女群島， 二零零四年五月二十六日， 有限責任公司	於英屬處女群島投資控股	100股每股1美元 普通股	100%
Sunray International Holdings Limited	British Virgin Islands, 21 January 2005, limited liability company	Investment holding in British Virgin Islands	1 ordinary share of USD1 each	100%
新銳國際控股有限公司	英屬處女群島， 二零零五年一月二十一日， 有限責任公司	於英屬處女群島投資控股	1股每股1美元 普通股	100%
Texhong Vietnam Investment Limited	British Virgin Islands, 6 September 2006, limited liability company	Investment holding in British Virgin Islands	50,000 ordinary shares of USD1 each	100%
天虹越南投資有限公司	英屬處女群島， 二零零六年九月六日， 有限責任公司	於英屬處女群島投資控股	50,000股每股1美元 普通股	100%
Prosperous Time Holdings Limited	British Virgin Islands, 12 May 2015, limited liability company	Investment holding in British Virgin Islands	USD1	100%
好景創投有限公司	英屬處女群島， 二零一五年五月十二日， 有限責任公司	於英屬處女群島投資控股	1美元	100%
Texhong Winnitex Holdings Limited	British Virgin Islands, December 2018, limited liability company	Investment holding in British Virgin Islands	USD1	80%
天虹農業控股有限公司	英屬處女群島， 二零一八年十二月， 有限責任公司	於英屬處女群島投資控股	1美元	80%

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### 38. PRINCIPAL SUBSIDIARIES (Continued)

### 38. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
<b>Indirectly held:</b> 間接持有：				
Jiangsu Century Texhong Textile Co., Ltd.	Xuzhou, Mainland China, 6 June 2000, limited liability company	Manufacturing and sales of yarns, grey fabrics, dyed clothes and dress; processing of cotton in Mainland China	USD15,000,000	100%
江蘇世紀天虹紡織有限公司	中國內地徐州， 二零零零年六月六日， 有限責任公司	於中國內地製造及銷售 紗線、坯布、染布及 服裝；棉花加工	15,000,000 美元	100%
Nantong Century Texhong Textile Co., Ltd.	Nantong, Mainland China, 7 June 2002, limited liability company	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China	USD5,500,000	100%
南通世紀天虹紡織有限公司	中國內地南通， 二零零二年六月七日， 有限責任公司	於中國內地製造及銷售 紗線、坯布及染布	5,500,000 美元	100%
Xuzhou Texhong Yinfeng Textile Co., Ltd.	Xuzhou, Mainland China, 12 May 2004, limited liability company	Manufacturing and sales of yarns, grey fabrics, clothes and dyed fabrics in Mainland China	USD7,800,000	100%
徐州天虹銀豐紡織有限公司	中國內地徐州， 二零零四年五月十二日， 有限責任公司	於中國內地製造及銷售 紗線、坯布、布料 及染布	7,800,000 美元	100%
Xuzhou Texhong Times Textile Co., Ltd.	Xuzhou, Mainland China, 29 December 2004, limited liability company	Manufacturing and sales of top-grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China	USD43,000,000	100%
徐州天虹時代紡織有限公司	中國內地徐州， 二零零四年十二月二十九日， 有限責任公司	於中國內地製造及銷售 高級紗線、線、坯布、 紡織與織造產品及成衣	43,000,000 美元	100%
Texhong (China) Investment Co., Ltd.	Shanghai, Mainland China, 21 June 2005, Limited liability company	Investment holding and trading of textile products in Mainland China	USD100,000,000	100%
天虹(中國)投資有限公司	中國內地上海， 二零零五年六月二十一日， 有限責任公司	投資控股及於中國內地 買賣紡織產品	100,000,000 美元	100%

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### 38. PRINCIPAL SUBSIDIARIES (Continued)

### 38. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Xuzhou Texhong Yinlian Textile Co., Ltd. 徐州天虹銀聯紡織有限公司	Xuzhou, Mainland China, 30 March 2006, limited liability company 中國內地徐州， 二零零六年三月三十日， 有限責任公司	Manufacturing top-grade yarns, thread, grey fabrics and dresses in Mainland China 於中國內地製造高級 紗線、線、坯布及服裝	USD20,500,000 20,500,000 美元	100% 100%
Sunray Macao Commercial Offshore Limited 新睿澳門離岸商業服務 有限公司	Macao, 19 December 2005, limited liability company 澳門， 二零零五年十二月十九日， 有限責任公司	Trading in Macao 於澳門貿易	MOP\$100,000 100,000 澳門幣	100% 100%
Changzhou Texhong Textile Co., Ltd. 常州天虹紡織有限公司	Changzhou, Mainland China, 1 January 1979, limited liability company 中國內地常州， 一九七九年一月一日， 有限責任公司	Manufacturing and sales of textile, decoration and garment in Mainland China 於中國內地製造及銷售 紡織品、飾品及成衣	RMB32,145,000 人民幣 32,145,000 元	100% 100%
Texhong Renze Textile Joint Stock Company 天虹仁澤紡織股份有限公司	Vietnam, 24 October 2006, limited liability company 越南， 二零零六年十月二十四日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD30,000,000 30,000,000 美元	100% 100%
Texhong Renze Technology Limited 天虹仁澤科技有限公司	Vietnam, 11 April 2013, limited liability company 越南， 二零一三年四月十一日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD9,850,000 9,850,000 美元	100% 100%
Weishan Texhong Technology Limited 微山天虹科技有限公司	Shandong, Mainland China, 12 April 2018, limited liability company 中國內地山東， 二零一八年四月十二日， 有限責任公司	Manufacturing and sales of yarns in Mainland China 在中國內地製造及 銷售紗線	RMB50,000,000 人民幣 50,000,000 元	100% 100%
Texhong Yinlong Technology Ltd. 天虹銀龍科技有限公司	Vietnam, 11 April 2012, limited liability company 越南， 二零一二年四月十一日， 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD40,000,000 40,000,000 美元	100% 100%

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### 38. PRINCIPAL SUBSIDIARIES (Continued)

### 38. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Shandong Texhong Textile Co., Ltd. 山東天虹紡織有限公司	Shandong, Mainland China, 1 May 2004, limited liability company 中國內地山東， 二零零四年五月一日， 有限責任公司	Manufacturing and sales of yarns in Mainland China 於中國內地製造及 銷售紗線	RMB700,000,000 人民幣 700,000,000 元	100%
Texhong Galaxy Technology Limited 天虹銀河科技有限公司	Vietnam, 13 September 2014, limited liability company 越南， 二零一四年九月十三日， 有限責任公司	Manufacturing of yarns, grey fabrics, garments and dyed fabrics in Vietnam 於越南製造紗線、 坯布、成衣及染布	USD120,000,000 120,000,000 美元	100%
Shandong Lanyan Textiles Co., Ltd. 山東蘭雁紡織服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國內地山東， 二零一五年八月二十一日， 有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、 坯布及成衣	USD3,000,000 3,000,000 美元	100%
Changzhou Texhong Grand Textile Co., Ltd. 常州天虹偉業紡織有限公司	Changzhou, Mainland China, August 2016, limited liability company 中國內地常州， 二零一六年八月， 有限責任公司	Trading of textile products in Changzhou 於常州買賣紡織產品	RMB131,528,883 人民幣 131,528,883 元	100%
Foshan Ruhong Textile Co., Ltd. 佛山如虹紡織有限公司	Foshan, Mainland China, August 2016, limited liability company 中國內地佛山， 二零一六年八月， 有限責任公司	Manufacturing of yarns in Foshan 於佛山製造紗線	RMB20,072,400 人民幣 20,072,400 元	100%
Shanghai Hongrun Textile Co., Ltd. 上海虹潤貿易有限公司	Shanghai, Mainland China, 7 January 2009, limited liability company 中國內地上海， 二零零九年一月七日， 有限責任公司	Trading of textile products in Mainland China 於中國內地買賣紡織產品	RMB5,000,000 人民幣 5,000,000 元	100%



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### 38. PRINCIPAL SUBSIDIARIES (Continued)

### 38. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Taizhou Century Texhong Textile Co., Ltd.	Taizhou, Mainland China, 23 April 2002, limited liability company	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China	USD13,000,000	100%
泰州世紀天虹紡織有限公司	中國內地泰州， 二零零二年四月二十三日， 有限責任公司	於中國內地製造及銷售 工業用紡織產品及 高端混紡品	13,000,000 美元	100%
Xinjiang Tianmian Foundation Textile Co., Ltd.*	Xinjiang, Mainland China, 4 July 2015, limited liability company	Manufacturing of yarns in Mainland China	RMB398,700,000	90%
新疆天棉基業紡織有限公司*	中國內地新疆， 二零一五年七月四日， 有限責任公司	於中國內地製造紗線	人民幣 398,700,000 元	90%
Nantong Texhong Yin Hai Industrial Co., Ltd.	Nantong, Mainland China, 20 May 2004, limited liability company	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China	USD3,500,000	100%
南通天虹銀海實業有限公司	中國內地南通， 二零零四年五月二十日， 有限責任公司	於中國內地製造及銷售 成衣、紡織與織造產品及紗線	3,500,000 美元	100%
Shandong Lanyan Jeanswear Co., Ltd.	Shandong, Mainland China, 21 August 2015, limited liability company	Manufacturing of garments in Mainland China	USD1,000,000	100%
山東蘭雁牛仔服裝有限公司	中國內地山東， 二零一五年八月二十一日， 有限責任公司	於中國內地製造成衣	1,000,000 美元	100%
Taizhou Texhong Yintai Textile Co., Ltd.	Taizhou, Mainland China, 26 May 2006, limited liability company	Manufacturing top-grade garment and special textile for construction in Mainland China	USD6,500,000	100%
泰州天虹銀泰紡織有限公司	中國內地泰州， 二零零六年五月二十六日， 有限責任公司	於中國內地製造高級 成衣和特別紡織品	6,500,000 美元	100%
Xuzhou Texhong Intelligence Textile Co., Ltd.	Xuzhou, Mainland China, 25 May 2017, limited liability company	Manufacturing of yarns in Mainland China	USD100,000,000	100%
徐州天虹智能紡織有限公司	中國內地徐州， 二零一七年五月二十五日， 有限責任公司	於中國內地製造紗線	100,000,000 美元	100%

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### 38. PRINCIPAL SUBSIDIARIES (Continued)

### 38. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Hongan Textile (Huaian) Co., Ltd. 虹安紡織(淮安)有限公司	Huaian, Mainland China, 27 October 2017, limited liability company 中國內地淮安， 二零一七年十月二十七日， 有限責任公司	Manufacturing of yarns in Mainland China 於中國內地製造紗線	USD1,500,000 1,500,000 美元	100%
Twin Dragon Marketing, Inc. Twin Dragon Marketing, Inc.	USA, incorporated company 美國，股份有限公司	Sales of denim fabrics and apparel 銷售牛仔面料及服裝	USD4,063,000 4,063,000 美元	65%
Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd 浙江慶茂紡織印染有限公司	Shaoxing, Mainland China, 1 October 2002, limited liability company 中國內地紹興， 二零零二年十月一日， 有限責任公司	Manufacturing of cotton and cotton blend yarns, greige, dyed and finished woven fabrics 製造純棉以及混棉紗線、 坯布、染整梭織面料	USD51,000,000 51,000,000 美元	80%
Winnitex Limited 慶業有限公司	Hong Kong, 24 January 2003, limited liability company 香港， 二零零三年一月二十四日， 有限責任公司	Sales of woven garment fabrics 銷售梭織布	HKD1,000 1,000 港元	80%

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為提供其他附屬公司的資料將導致篇幅過於冗長。

\* represents sino-foreign equity joint venture. All other subsidiaries established in Mainland China are wholly foreign owned enterprises.

\* 指中外合營企業，所有其他在中國內地成立之附屬公司為全外資企業。

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China.

天虹(中國)投資有限公司為於中國內地註冊成立之全外資投資控股公司。

None of above subsidiaries had any loan capital in issue at any time during year ended 31 December 2020 (2019: None).

截至二零二零年十二月三十一日止年度內任何時間，概無上述附屬公司擁有任何已發行借貸股本(二零一九年：零)。

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

若干於中國內地成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。



